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Economic Affairs

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Economic Affairs

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ECONOMIC POLICY, ORGANIZATION, MANAGEMENT

Greater OTK, State Acceptance Cooperation Sought

18200024a Moscow *EKONOMICHESKAYA GAZETA*
in Russian No 48, Nov 87 p 17

[Article by V. Korobeynikov, manager of state product acceptance in the Izhmash Association (Izhevsk): "We and the OTK"]

[Text] Nowadays people argue about how interrelations should be arranged between two control agencies in production: state acceptance and the OTK [Department of technical control]. Theoretically there should be no problem: they should work in contact with one another. After all, they have a common goal: improving product quality and preventing defective work. But in practice they do not manage to divide everything up into equal parts. Why? In order to answer this, it is necessary to recall the sources of the problem.

The very introduction of state acceptance was brought about by the fact that the technical control departments could not keep up with their duties. And I do not even think that the problem was that the department chief was under the jurisdiction of the plant director and it was easy to "apply pressure" on him. In the final analysis, the manager of state acceptance is also, to a certain degree, "not free." If he wants to obtain an apartment or a pass to a recreation facility or if he wants to enroll his child in kindergarten, he still must go to the director. The essence lies elsewhere: we neglected the OTK's in their day, we did not pay enough attention to them, and we drove them to the end of their rope. If it was necessary to reduce the number of workers, we began with the controllers. And this was certainly not because of their wages: a worker of the technical control department received 60-80 rubles less than a regular worker employed in the same operation. Well, one might ask, what self-respecting lathe or milling machine operator would join the control staff? And people had to be recruited. And they were recruited. The ones who were asked were those who were no longer able to work or specialists who were completely from outside the field. If you wish—come on. Whether you are an educator or an agronomist. I recall that for a welding shop they hired a woman with a library education.

But why talk about the past? Today in motor bike production among the controllers in the OTK only four people have a higher education, 16 have a secondary technical education, and 459 have secondary and incomplete secondary education. Eloquent figures, are they not?

What could the workers of the departments for technical control of production do with this kind of preparation? Only one thing: perform the functions of rejection inspectors—this part is all right; this one is not. But why

not? What is the reason? If a press is putting out defective work, you can place around it as many controllers as you want to and there still will be no point. It is necessary to get into the technology, and this requires knowledge.

So before speaking about interaction, it is necessary to reinforce the technical control personnel. And in places where this has been done the work is going smoothly. An example of this is our machine building production. There the senior state acceptance representative, Yu. Vasilyev, and the manager of the OTK service for the subdivision, Yu. Romashov, have an excellent knowledge of all the fine points of technology and they resolve all questionable issues jointly. This is also very important: they do not engage in pedantry and they do not carp about trivia. If they are both convinced that on a specific machine tool it is possible to manufacture a part of the required quality, the equipment receives the "OK." But if Romashov has doubts he consults with the state acceptance workers. But it is especially important that it is Romashov who makes the final decision. Thus we are striving to increase the authority of the OTK in the eyes of the workers. I think that this is also one of the most important tasks of state acceptance.

If necessary, the representatives of the two control services are equally cooperative in responding to pressure from the production workers. I shall tell what happened when state acceptance workers discovered a fairly serious design mistake. The rigidity of a machine tool did not meet the necessary requirements. The acceptance was stopped. One must say that production workers were not very happy to redo the equipment: they tried to "convince" the controllers that this was not possible. But here the nondepartmental controllers supported the OTK workers. And they not only supported them but also gave them suggestions about how to correct the shortcomings.

It is easy for control agencies to find a common language with mechanical assembly production. Here the state acceptance workers are headed by N. Shklyayev and the OTK controllers—A. Kiba. How have they organized their work? During the first days state acceptance workers created temporary methods for evaluating product quality and familiarizing technical controllers with them. Then, during the first half year, they refined the document and adopted a final variant.

It describes and divides into three groups all the possible defects in sports and hunting weapons: critical, significant, and less significant. The first two should not appear in a single item of the batch, and the permissible number of the third kind is strictly stipulated. So the OTK and state acceptance have the same criteria for evaluating quality, and there are practically no reasons for disagreement. All one need do is take a look at the classifier of defects—this is what the document is called—and everything becomes clear.

The cooperation between the two control services in production should be reflected also in mutual assistance in training personnel. At first the OTK workers were a great help to the state acceptance workers in mastering control operations with which they were not familiar. We held special classes with them and taught them to use gauges. This only appears to be a simple matter. It is necessary to use from 20 to 30 gauges to check to see whether a sports rifle is manufactured well or not. One must not confuse them and one must know precisely which is intended for what.

And now, in turn, state acceptance workers help the technical controllers to grasp the essence of the requirements placed on the items. The latter must not simply measure the parameters, but understand what one or another deviation from the standards entails and what will happen when the item is used. OTK workers have now started to take a different attitude toward state acceptance, and they are being more demanding (giving thought to their demands) and adhering more to principles.

The introduction of state acceptance of products was brought about, as was already said, by the fact that the technical control departments could not cope with their duties. But without effective assistance from the OTK, state acceptance cannot carry out the tasks set for it either. Therefore we must be concerned about strengthening technical control services and increasing their role at the enterprise. Far from all that is possible has been done in this area up to this point.

Take just our association. Practically no young specialists are being sent to the OTK and the number of engineers is increasing very slowly. The technical control departments of various productions are separate and have practically no contact with one another. It is extremely difficult even to obtain information about the service's activity. One would think that at large enterprises such as ours it would be necessary to work out the system for management of the technical control service.

Only once in a while do OTK workers conduct preventive work with the production workers. And yet how responsibly a worker will approach the performance one operation or another depends on this to a significant degree.

So far we are slow in creating quality groups. Quality controllers should participate most actively in these and be vitally interested in organizing them. For this is an excellent form of mass involvement of the workers of the collective in the fight against defects.

The facts that have been listed, in my opinion, cannot but disturb workers in state acceptance of products. It is time for us to change over from individual measures to a system of work for improving the quality of domestic items. This will make it possible ultimately to eliminate the very factors that give rise to defective work. This problem can be solved only by acting together.

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Council of Ministers Decree on New State Production Associations

18200068a Moscow SOBRANIYE POSTANOVLENIY PRAVITELSTVA SSSR in Russian No 47, 1987
pp 994-1008

[Decree of USSR Council of Ministers issued on 26 September 1987 No 1076, Article 156: "On Approving the Provisions Concerning the State Production Association"]

[Text] The USSR Council of Ministers hereby decrees:

1. To approve the attached provisions on the state production association.
2. The USSR ministries and departments and the councils of ministers of union republics when restructuring the management of the branches of the national economy are to extensively utilize the possibilities of forming state production associations as one of the forms of large-scale cost-accounting organizational structures of the national economy in order to create the necessary organizational conditions for changing over to a two-unit system of managing and increasing the effectiveness of economic methods of management.

Provisions on the State Production Association

The state production association (GPO) is the largest organizational structure of the basic unit of the national economy and carries out its activity according to the principles of complete cost-accounting and self-financing. The GPO is a unified production and economic complex created in order to effectively solve branch, interbranch and regional problems and is formed on the basis of concentration of the production and scientific-technical potential of the enterprises, production and scientific-production associations, and other organizations.

The GPO expands the possibilities of enterprises, associations, and organizations included in it in their production and social development while retaining their independence and responsibility on the basis of the USSR Law on the State Enterprise (Association).

The creation of the GPO provides for a combination of centralized planned leadership and democratization of management, a combination of state interests and the interests of the labor collectives, extensive utilization of economic methods of management, and a changeover to a two-unit system of management.

The present provisions determine the economic and legal bases for the organization and activity of state production associations formed according to Article 5 of the USSR Law on the State Enterprise (Association) and

relations between the GPO and the enterprises, associations, and organizations included in it and also between it and state management agencies.

The effect of the present provisions extends to GPO's of all branches of the national economy.

1. The State Production Association, Its Tasks and the Principles of Its Activity

1. The state production association includes enterprises, associations and organizations of one or several branches of the national economy and it can be union-wide or regional. It can include production and scientific-production associations, scientific research, planning-design, technological, construction, transportation, sales, trade and foreign trade, training, including secondary vocational and technical schools and secondary special training institutions, and also other enterprises, associations, and organizations. In the agroindustrial complex the state production associations can also include kolхозes and other cooperative and interfarm organizations.

Enterprises and associations included in the GPO are guided in their activity by the USSR Law on the State Enterprise (Association). The GPO exercises functions of the top management agency with respect to enterprises, associations, and organizations included in it.

2. The main task of the state production association is to satisfy the needs of the national economy and the population for the products (jobs, services) it produces with high consumer properties and qualities and minimum expenditures, to increase the contribution to the acceleration of the country's socioeconomic development, and to provide for improvement of the well-being of the labor collectives of the enterprises, associations and enterprises included in the GPO.

In order to carry out its major task, the GPO provides for:

increasing the effectiveness of production, increasing profit (income), increasing labor productivity, economizing on resources, and improving the utilization of production capital;

solving problems of scientific and technical progress that are common to the GPO, accelerating the updating and constantly maintaining production capital at the proper technical level, organizing the development and mass application of principally new technical equipment, technology and materials that correspond to the highest world scientific and technical levels;

reducing the cycle: "Scientific Research and Development—Investment—Production—Sales and Service";

providing for social development of the collectives of the enterprises, associations and organizations, strengthening the joint material base of the social sphere, creating favorable possibilities for highly productive labor, and conducting measures for protecting the natural environment;

concentrating and deepening specialization and cooperation, efficiently distributing and developing production, providing for proportional and balanced development of interconnected raw material and processing production;

increasing the results of the activity of scientific research, planning-design and technological organizations included in the GPO, strengthening their tie with production on the basis of principles of complete cost accounting and self-financing;

stepping up foreign activity on the basis of the development of progressive forms of relations with foreign partners and currency self-provision;

constantly improving forms and methods of control and management and consistently implementing the provisions of the USSR Law on the State Enterprise (Association).

3. The activity of the state production association is arranged on the basis of the state plan for the economic and social development of the branch. Guided by control figures submitted by the top management agency and established by state orders and long-term economic norms and limits, the GPO organizes the development by enterprises, associations and organizations included in it of five-year and annual plans for economic and social development and formulates and approves on their basis the plan for the GPO as a whole.

4. The state production association as a unified production-economic complex operates on principles of complete cost accounting and self-financing.

The activity of the enterprises, associations, and organizations included in the GPO is carried out fully in keeping with the USSR Law on the State Enterprise (Association).

In order to solve the common problems facing the GPO having to do with production, scientific-technical and social development, the enterprises, associations and organizations included in it transfer, in keeping with norms, some of their profit and amortization funds intended for complete restoration of fixed capital, in order to form the centralized fund and reserves of the GPO.

The GPO also provides for solving these problems by using stable economic norms and limits for contracting work as well as centralized funds that are at its disposal.

5. The property of the state production association includes centralized funds and reserves and also other monetary and material funds that are assigned to the separate staff for managing the GPO.

The state production association is a legal body, it performs duties related to this activity, it has independent books and current and other accounts in bank institutions, it draws up a consolidated balance of the enterprises, associations and organizations included in the GPO, and it submits the established statistical reports.

The GPO charter is approved by the agency that has created it.

The GPO carries out all of its activity on the basis of socialist law and takes measures to strengthen it in the enterprises, associations and organizations included in the GPO.

The GPO is not responsible for the commitments of the enterprises, associations and organizations included in the GPO. The enterprises, associations and organizations included in the GPO are not responsible for the commitments of the GPO.

II. Management of the State Production Association

6. The management of the state production association is carried out on the basis of socialist self-management and a combination of democratic forms of management and unified management. The GPO provides the leadership of the enterprises, associations and organizations as a unified economic complex in order to solve common problems of production and social development and it observes their rights and independence in keeping with the USSR Law on the State Enterprise (Association) and other normative acts.

The top management agency of the GPO is the council of directors. The council includes managers of all independent enterprises, associations and organizations included in the GPO with the exception of enterprises and organizations that are included in production and scientific-production associations. The council is headed by the general director who was elected for a five-year period by the council of directors and is approved by the top management agency.

7. The council of directors of the state production association:

participates directly in solving problems of cooperation and satisfaction of the needs of the national economy and the population for products (jobs, services), and the selection of effective ways of carrying out production, and it determines the directions of prospects for scientific and technical development;

it considers the candidacy of managers of enterprises, associations and organizations elected at general meetings (conferences) of labor collectives and recommendations them for approval under the established policy and it also establishes the structure and wage fund for the management staff of the GPO and the estimated expenditures on its maintenance;

it determines the areas for expenditure of centralized funds and reserves in the interests of developing the production-economic complex as a whole.

the GPO makes suggestions to the higher agency concerning the creation of enterprises and organizations as part of it or their elimination and it carries out this work in practice; on a contractual basis it forms joint enterprises, associations and organizations;

it makes suggestions to the higher agency concerning the reorganization and curtailment of the activity of enterprises when they have been operating at a loss for a long time;

it has the right to consider the question and make proposals concerning early reelection of the general director of the GPO.

The council of directors regularly informs the labor collectives of the enterprises, associations and organizations about the work of the GPO.

The decisions of the council of directors are implemented by the GPO general director.

8. During the period between meetings of the council of directors the management of the state production association is provided by the general director according to the principle of unified management. The functions of the management staff of the GPO are the responsibility of the administration of the leading enterprise or a separate management staff that is maintained at the expense of a centralized fund and reserves of the GPO.

The general director and the council of directors of the GPO bear responsibility for the results of the production and economic activity of the GPO and also the enterprises, associations and organizations included in it.

The general director represents the interests of the GPO at all levels in keeping with existing legislation, the present provisions and the charter of the given GPO, he disposes of the property assigned for management of the association, he concludes agreements, he issues certificates (including power of attorney) and opens up current and other accounts in banks.

The GPO general director:

establishes the distribution of duties among his deputies, coordinates and directs their work, and organizes the activity of the GPO staff;

approves provisions concerning structural subdivisions of the GPO staff and also the distribution chart of the management staff, establishes salaries for managers and specialists in keeping with the salary schedule without taking into account norms and ratios between the number of management personnel and specialists and increments to salaries, and he provides bonuses for workers of the GPO management staff.

The general director and the council of directors of the GPO contribute to economic competition among enterprises, associations and organizations, and apply competitive planning and financial levers for this purpose in order to more fully satisfy the demand of the consumers for highly effective, high-quality competitive products (jobs, services), to intensify production, to raise its technical level, and to accelerate scientific and technical progress.

The GPO general director can be relieved of his duties ahead of schedule by the higher agency on the basis of a decision of the council of directors.

9. In the state production association the council of representatives of labor collectives from all enterprises, associations and organizations included in the GPO and also from the GPO is created for a period of 2-3 years. The council of representatives of labor collectives selects the chairman of the council from among its ranks.

The meetings of the councils of representatives of labor collectives takes place no less frequently than twice a year.

The council of representatives of labor collectives under conditions of broad publicity discusses the results of the activity of the GPO, of the council of directors and of the management staff of the GPO, make suggestions and recommendations for increasing the effectiveness of management, and provides for informing the labor collectives of the enterprises, associations and organizations about the work of the GPO.

The council of representatives of labor collectives raises before the GPO council of directors questions related to eliminating shortcomings in the work of the GPO.

The council of directors in its activity takes into account the recommendations and suggestions of the council of representatives of labor collectives.

III. Functions, Rights and Responsibilities of the State Production Association

10. In the area of planning the GPO:

develops predictions and long-range plans of the development of production in its profile of activity on the basis of a study of the needs of the national economy, the population and the foreign market for products (jobs,

services) and taking into account world experience, the latest scientific achievements and progressive tendencies and specialization, concentration, and cooperation of production;

participates in the development of control figures, coordinates them with the higher agency and informs the enterprises, associations and organizations; distributes state orders, including on a competitive basis; approves for the enterprises, associations and organizations long-term economic normatives, including normatives of deductions into the centralized funds and reserves of the association and the areas for their expenditure; establishes limits of capital investments from money from the centralized fund of the GPO and limits for centralized state capital investments (in keeping with the list of enterprises and objects included in the state plan) and contracting work;

with the participation of enterprises, associations and organizations included in the GPO it develops and approves the five-year plans (with a breakdown according to the years) and also refines the annual plans for the economic and social development of the GPO;

envisions measures for more complete utilization of scientific and technical achievements in the plans and participation in state, branch and joint CEMA programs.

When developing and approving plans for the GPO the council of directors proceeds from the need to combine the interests of the enterprises, associations and organizations included in the GPO with state, branch and regional interests. The GPO provides for an efficient distribution and increased concentration of production, and deepening of specialization and cooperation of enterprises, associations and organizations, and it envisions the creation and development of interbranch productions, a scientific-technical and experimental base, centralized auxiliary and service productions and other kinds of economic activity that the GPO has in common.

The GPO organizes and conducts work for improving the conditions for the labor, life and daily activity and more complete satisfaction of the material and spiritual needs of the workers of all enterprises, associations and organizations included in it.

11. In the area of scientific and technical progress and improving product quality the GPO:

provides for the development and implementation of a unified scientific and technical policy, a constant rise in the technical level of the organization of production, improvement of technological processes, and the output of high-quality and competitive products;

it implements measures for effective utilization of scientific-technical and production potential and organizes extensive application of the most progressive technical innovations, discoveries and inventions, and it implies

competitive planning for accelerated achievement by enterprises, associations and organizations of the advanced goals of science and technology;

organizes the solutions to large scientific and technical problems from scientific research to the introduction of the results that are achieved into production, providing for a reduction of material-intensiveness, energy-intensiveness and labor-intensiveness of the products (jobs, services) that are produced, efficient utilization and restoration of natural resources, and production carried out according to principles of waste-free technology;

implements measures for fulfilling the commitments envisioned by the state target scientific and technical programs, participates in the work of interbranch scientific and technical complexes, extensively utilizing the results of their activity in production;

provides for increasing the effectiveness of the work of scientific research, planning-design and technological organizations included in the GPO and the strengthening of their laboratory-research and experimental base;

determines the amount of money in the centralized fund used for the development of specific subjects for accelerating scientific and technical progress, distributes orders, and concludes agreements for their fulfillment;

organizes work for standardization and unification of products of the GPO, information service, and also for improvement of invention, efficiency and patent-licensing activity and the development of progressive norms and normatives.

12. In the area of capital construction the GPO in conjunction with the enterprises, associations and organizations included in it:

develops and conducts an effective investment policy in keeping with the tasks for development of the enterprises, associations and organizations, if necessary, organizes the development of plans that correspond to the world level for the construction of new objects and technical reequipment, reconstruction and expansion of existing ones;

creates specialized productions for the entire GPO;

formulates five-year and annual plans for capital construction, providing for priority work for technical reequipment, reconstruction, modernization and expansion of production and also the construction of new production facilities, residential buildings and other facilities for social purposes;

distributes among the enterprises, associations and organizations the volumes of capital construction financed by state centralized capital investments, provides control over their effective utilization and also takes into

account in the plans the suggestions of enterprises, associations and organizations concerning the volumes of capital investments financed with money at their disposal;

checks on the promptness of the startup of facilities and also the assimilation of the planned capacities within the normative time periods;

takes measures for developing construction by the internal financing method and for forming planning and construction organizations in order to solve problems common for the GPO having to do with construction and technical reequipment of existing productions and the creation of new ones;

organizes and provides for the construction of facilities of the production and social infrastructure for the entire GPO.

13. In the area of finance, credit and prices, the GPO:

conducts measures for strengthening the financial position of the enterprises, associations and organizations and the GPO as a whole and increasing profit (income). When there is a temporary planned loss for the enterprises, associations and organizations it finances this through centralized funds and reserves within the limits of the subsidies established in the five-year plan with a progressive reduction;

when forming financial plans of the GPO it provides for balance of all kinds of financial and credit resources with indicators of their economic and social development and also the participation of the enterprises, associations and organizations included in the GPO in the formation of income of the state (including local) budget;

from deductions from enterprises, associations and organizations included in the GPO it forms a centralized fund and reserves and uses their money (in keeping with the established estimate) for conducting measures for production, scientific-technical and social purposes, provides for effective utilization and centralized state financial funds. Unutilized residuals of the fund and reserves of the GPO are carried over to the following year and are not subject to being removed;

contributes to increasing the effectiveness of the utilization of bank credit allotted to enterprises, associations and organizations included in the GPO with strict observance of the basic principles of credit;

in keeping with the USSR Law on the State Enterprise (Association), conducts work for price setting for products (jobs, services) and checks on the observance of state price discipline by enterprises, associations and organization;

exercises control over production and financial activity of enterprises, associations, and organizations and their observance of financial and reporting discipline, guided by the principles of complete cost-accounting and self-financing. Provides for maintenance of socialist property and observance of a regimen of economy everywhere.

14. In the area of material and technical supply and sales the GPO:

in close interaction with the higher agency and the local territorial agencies of the USSR Gosnab, creates necessary conditions for stable provision of material resources for the enterprises, associations and organizations.

Material and technical supply for enterprises, associations and organizations included in the GPO are organized by them independently on the basis of direct economic ties and wholesale trade. Material and technical supply of resources within limits and funds is provided centrally by the ministries and departments and also other corresponding agencies. The GPO considers and resolves issues of material and technical supply that arise among enterprises, associations and organizations included in the GPO and also with other organizations;

develops wholesale trade through direct orders from consumers, organizes firm trade and other progressive forms of product sales;

takes necessary measures for unconditional fulfillment of state orders and orders from supply-sales organizations, enterprises and other consumers in keeping with agreements that have been concluded;

organizes work for ensuring all-around savings on material and energy resources, extensive utilization of waste-free technologies, efficient expenditure of raw materials, processed materials and fuel, reduction of losses, and drawing of secondary resources into economic circulation.

15. In the area of foreign economic activity the GPO:

organizes foreign economic activity of enterprises, associations and organizations included in the GPO on the basis of the principle of currency self-support;

implements measures for further development and improvement of commodity-economic and currency-financial ties with foreign countries. The GPO which provides for significant deliveries of products (jobs, services) for export can be granted the right to carry out export-import operations directly (including on the markets of capitalist and developing countries) and create a cost-accounting foreign-trade organization for these purposes if it does not already have one.

envisions measures for the development of an export base and increased production of products (jobs, services) that are competitive on the foreign market and the

development of socialist economic integration, including the fulfillment of assignments of the Comprehensive Program for Scientific and Technical Progress of the CEMA Countries, and economical expenditure of currency, and achieves expansion of product (jobs, services) sales on world markets;

takes measures for extensive development of international cooperation in production, with the permission of the higher agency, creates joint enterprises and international associations and organizations, and participates actively in their activity;

with the agreement of the enterprises, associations and organizations included in it it can partially combine the supplies of currency deductions it has at its disposal, forming a centralized currency fund for the GPO in order to carry out joint purchases of machines, equipment, materials and other goods for the needs of technical reequipment, reconstruction and expansion of production, conducting scientific research, experimental design and other work, and it can carry out the transfer of money from this fund under mutually advantageous conditions to other enterprises, associations, organizations, ministries, departments, and banks;

contributes to deliveries for export of products manufactured by the enterprises, associations, and organizations included in it in excess of the volumes envisioned by the state orders and agreements.

16. In the area of labor and social development, the GPO:

in conjunction with the party and trade union organizations, taking into account the provisions of the USSR Law on the State Enterprise (Association) and in keeping with the established policy, conducts work for selection, placement and education of management personnel at the enterprises, associations and organizations included in it. Organizes a unified system of training and retraining of personnel, providing for a combination of professional training and economic training, creates training combines, courses and centers and schools for studying advanced labor methods;

implements measures for creating a reserve, and training and utilizing management personnel of enterprises, associations and organizations, and conducts their certification;

organizes and coordinates the work of enterprises, associations and organizations for improving the working conditions for workers, especially women, and reducing or eliminating heavy physical, monotonous, and unskilled labor;

checks on correct application of existing conditions for wages and bonuses at enterprises, associations and enterprises included in the GPO;

in keeping with the policy in effect, establishes for management personnel of enterprises, associations and organizations increments for high achievements in labor or the fulfillment of especially important work through the general wage fund for the corresponding enterprise, association or organization;

with the agreement of the corresponding trade union agencies, approves provisions concerning bonuses for management personnel of enterprises, associations and organizations included in the GPO;

if necessary, organizes for the enterprises, associations and organizations common subsidiary funds and enterprises for rendering paid services to workers which join the medical-sanitary sections and other organizations of the social sphere and contributes to the development of cooperatives and individual labor activity of the citizens;

in the area of protection of nature the GPO:

develops and implements measures for comprehensive utilization of natural resources and for protection of the environment, envisions and plans for expansion, reconstruction and technical reequipping of enterprises, associations and organizations, environmental protection installations and structures, provides for their effective operations, develops waste-free technological processes and introduces them into production, and extensively utilizes secondary resources in so doing;

organizes environmental protection measures to be conducted by enterprises, associations and organizations included in the GPO which fully compensate for the negative influence of production on the natural environment and utilizes money from the centralized fund and reserves for these purposes.

18. In the area of accounting, reporting and control the GPO:

monitors the production and economic activity of the enterprises, associations and organizations included in it, provides for analysis and review of their activity and the maintenance of monetary funds and material values;

under the established policy, obtains from enterprises, associations and organizations statistical and bookkeeping reports and checks on the correctness of bookkeeping and reliability of accounts and reports;

conducts measures for introducing progressive methods of accounting utilizing modern technical equipment, increases the role and responsibility of legal, bookkeeping and other functional services in the observance of law, promptness, and quality of accounts and reports.

The council of representatives of labor collectives of the GPO participates actively in the functions of the GPO for control and elimination of shortcomings in its work.

IV. Creation, Reorganization and Liquidation of State Production Associations

19. State production associations are created according to the branch principle by ministries and departments of the USSR with the agreement of the council of ministers of the union republics or the ministries and departments of the union republics with the permission of the councils of ministers of the union republics.

The creation of GPO's according to the interbranch and regional principle with inclusion in them of enterprises, associations and organizations of various branches of the national economy is done by permanent agencies of the USSR Council of Ministers or the councils of ministers of the union republics.

In all cases the GPO and the enterprises, associations and organizations included in it are also included in the system of the ministry, department or agency of the local soviet, which are the higher management agencies with respect to the GPO. In individual cases the GPO can be directly under the jurisdiction of the council of ministers of the union republic.

The GPO is reorganized or eliminated by decision of the agency that is authorized to create it.

20. The peculiarities of the organization and activity of state production associations linked to the specific features of the branches and regions are determined by the ministries and departments of the USSR with the agreement of the corresponding permanent agencies of the USSR Council of Ministers or the councils of ministers of the union republics, and the peculiarities of the organization and activity of GPO's created by republic ministries are determined by the councils of ministers of the union republics.

21. The state production association has a stamp depicting the USSR state emblem or the state emblem of the union republic with its name.

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Decree on Restructuring Gosnab Suly System Published

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[Decree of the CPSU Central Committee and the USSR Council of Ministers on Restructuring Material and Technical Provision and the Activity of the USSR Gosnab Under the New Conditions of Management, 17 Jul 1987]

[Text] The CPSU Central Committee and the USSR Council of Ministers note that the realization of the decisions of the 27th party congress and the June (1987) Plenum of the CPSU Central Committee on the radical

reform in economic management requires a fundamental restructuring of material and technical provision, which should become an organic part of an integrated system of national economic management and ensure an efficient and stable development of the entire economy and of every association and enterprise and a rational utilization of material resources.

The existing system of supply and sales does not meet the increased requirements for national economic development, is cumbersome and conservative, and is at variance with tasks concerning an increase in production efficiency.

The planning and distribution of material resources are excessively centralized, complicated, and do not ensure the necessary balance between production and consumption. Under these conditions the development of true cost-accounting relations between producers and consumers and of flexible forms of supply and a prompt solution of problems concerning material and technical provision are hampered.

Direct long economic relations among enterprises have not been applied widely. They are established from above, often are disrupted, and in many respects are of a formal nature. The role of contracts in the establishment and intensification of economic relations is belittled. They have not become an effective tool of forming plans based on the specific orders of consumers and of ensuring a balance between production and consumption.

Such a progressive form of material and technical provision as wholesale trade has not been developed. As a result, production is insufficiently oriented toward meeting specific demand and significant volumes of material resources are spent on the output of products not satisfying customers.

The existing supply system is not aimed at resource saving and a fuller utilization of secondary raw materials. An efficient management of material stocks, into which enterprises have groundlessly withdrawn a significant amount of resources from the economic turnover, is not ensured. At the same time, USSR Gosnab bodies do not have at their disposal sufficient material reserves to ensure a stable operation of the national economy.

The USSR Gosnab did not pay the necessary attention to improving the economic mechanism, leaned primarily on administrative methods of management, and insufficiently utilized cost-accounting principles in the organization of its activity.

Territorial bodies of the USSR Gosnab do not act as the most important link in the system of provision of consumers with material resources. They poorly protect consumers' interests from the producer's dictate.

Many ineffective departmental supply and sales offices and depots operate. They duplicate the work of USSR Gosnab bodies and divert a large amount of manpower.

Scientific research institutes of the USSR Gosnab do not conduct the necessary studies in the area of the latest forms and methods of organizing material and technical provision for the national economy and operate at a low efficiency.

The CPSU Central Committee and the USSR Council of Ministers believe that the fundamental restructuring of the system of material and technical provision, decisive elimination of existing shortcomings, and bringing it into conformity with the new requirements are the conditions necessary for increasing the effectiveness of the entire management of the national economy.

The CPSU Central Committee and the USSR Council of Ministers decree:

1. To consider the establishment of an efficient and mobile system of material and technical provision for a systematic realization of the party policy of accelerating the country's social and economic development the most important national economic task. At the same time, to make a decisive transition during 4 to 5 years from the centralized allocation of material resources and attachment of consumers to suppliers to wholesale trade in means of production. To establish that the sale of means of production of especially great national economic importance is carried out according to limits.

To radically change the forms and methods of organization of material and technical provision, to create conditions for an efficient activity of enterprises on the basis of cost-accounting and self-financing principles, and to bring them into full conformity with the provisions of the USSR Law on the State Enterprise (Association).

The system of supply of material resources should ensure the consumer's priority in economic relations, to create conditions for an increase in the balance of material resources, and to affect production and consumption for the purpose of lowering expenditures and enhancing the consumer properties of products.

Basic Principles of Restructuring Material and Technical Provision

2. To base the restructuring of material and technical provision on a decisive transition from the centralized allocation of material resources and attachment of consumers to suppliers to wholesale trade in means of production and on an efficient combination of centralized elements with an extensive development of democratic principles in the organization of material and technical provision. To increase the interest and responsibility of all national economic links for a full and

prompt satisfaction of the need of public production. To proceed from the fact that the system of material and technical provision includes:

wholesale trade in means of production; centralized distribution of material resources.

Wholesale trade in means of production as a promising and progressive form of material and technical provision is carried out according to consumers' orders without limits and allocations. It most fully corresponds to the activity of enterprises on the basis of cost-accounting and self-financing principles and should develop in every possible way. To proceed from the fact that the transition to wholesale trade is made in stages and should become the basic form of material and technical provision for enterprises and promote mutually beneficial cooperation among labor collectives, strengthening of direct relations between producers and consumers, and a better saturation of the market with products for production and technical purposes.

Products of primary importance for the formation of rates and proportions of public production and solution of key problems concerning the development of the economy and rise in the people's well-being are distributed in a centralized manner. The distribution of these products is made according to limits (allocations). To give up the excessive detailing from above of the list of products delivered by way of centralized distribution. To grant enterprises great independence in specifying the assortment, consumer properties, and dates of delivery of products on a contractual basis, as well as in selecting suppliers.

To proceed from the fact that, as new methods of management develop and intensify, the sphere of centrally distributed material resources should be reduced.

To determine that on the basis of direct relations material and technical provision for enterprises is carried out independently by them with respect to products sold on the basis of direct unlimited orders, as well as centrally distributed products.

An efficient functioning of the system of material and technical provision under the new conditions of management and a rational combination of its forms require a close interaction and coordination of the work of planning bodies, USSR Gosplan bodies, USSR ministries and departments, and councils of ministers of the Union republics. On this basis the balance of plans for production and material and technical provision should be increased and a stable and regular supply for enterprises, economy of resources, and reduction of production stocks in the national economy should be attained.

3. To ensure an organic connection of various forms of organizing material and technical supply. At the same time, to proceed from the fact that:

the list of key types of products of national economic significance is determined by the USSR Gosplan and is presented in the form of state orders;

the list of articles specifying the composition of the state order is determined in economic contracts concluded by manufacturing enterprises with consumer enterprises, or with bodies for material and technical provision;

products produced by enterprises independently on the basis of direct relations with consumers are sold under the conditions stipulated by the contracts between them.

4. To establish that the role and responsibility of USSR ministries and departments, councils of ministers of the Union republics, the USSR Gosplan, and its local bodies for providing the production program of enterprises with resources and meeting the needs of the national economy increases significantly under the conditions of the new economic mechanism. In connection with this the USSR Gosplan and its bodies jointly with ministries and departments are obliged to ensure:

a profound study and uncovering of the needs for material resources necessary for the production of products, primarily in accordance with state orders;

placement of orders for the production of these products at enterprises in accordance with the uncovered needs;

increase in the substantiation of the development of plans for the distribution of products;

organization of long-term stable and efficient economic relations between consumers and producers of products, as well as between enterprises and bodies for material and technical provision.

Enterprises, in accordance with their specialization, production structure, and the cost of all products envisaged in a calculated manner as the basis for the conclusion of contracts, are obliged to ensure the production of products necessary for the fulfillment of state orders and for their sale through wholesale trade, also including products according to the list planned independently in accordance with the direct orders of consumers.

5. To consider it necessary to restructure the procedure of supply of enterprises with material resources and to bring it into conformity with the new conditions of management.

To ensure the production of products, performance of operations, and rendering of services envisaged in the plans of enterprises, USSR ministries and departments, councils of ministers of the Union republics, and territorial bodies of the USSR Gosplan present to them limits (allocations) for types of material resources distributed in a centralized manner. The indicated limits

(allocations) are presented to USSR ministries and departments and councils of ministers of the Union republics by the USSR Gosplan and the USSR Gossnab.

Material resources for wholesale trade are determined according to orders of enterprises (associations) by territorial bodies of the USSR Gossnab. For this purpose territorial bodies form the needs for appropriate resources, which are provided by bodies working out balances of material resources and are allocated through the USSR Gossnab.

Rise in the Role of Balance Work in the Organization of Material and Technical Provision

6. To transform material balances and plans for the distribution of products into the main tool of organizing material and technical provision under the new conditions of management and to qualitatively raise the level of all balance work in the national economy.

In accordance with the national economic significance of individual types of products the USSR Gosplan jointly with the USSR Gossnab must establish lists of material balances and plans for the distribution of products worked out by them, as well as by USSR ministries and departments and councils of ministers of the Union republics, and ensure a close interaction in the process of preparation of these balances and plans.

To conduct during their development a profound study of the needs of the national economy as a whole and its individual sectors and production facilities. To envisage in material balances and distribution plans the use of advanced materials, machinery, equipment, and articles meeting the world level and of the results of introduction of resource saving technologies into production, an extensive drawing of secondary raw materials and power resources into the economic turnover, and a reduction in production stocks through an acceleration of their rate of turnover. To envisage in balances the reserves necessary for a stable operation of national economic sectors.

7. For the purpose of intensifying the role of consumers in the formation of plans and widely developing direct economic relations among enterprises, to fundamentally change the system of development of material balances and distribution plans.

To change over to the preparation of material balances and distribution plans in the USSR Gosplan, the USSR Gossnab, ministries, and departments according to a consolidated products list, keeping in mind that these balances and plans should serve as the basis for ensuring a general balance of the needs of the national economy and its most important complexes and sectors with available resources.

The detailing of the consolidated list of products envisaged in material balances and distribution plans is made by enterprises independently. On this basis enterprises

expand the work with suppliers of products, mutually coordinate the assortment and technical and consumer properties of products, and conclude contracts for their delivery.

USSR ministries and departments and councils of ministers of the Union republics actively participate in this work, examine all arising problems, take measures to prevent disproportions between production and consumption, and bear full responsibility for an unconditional satisfaction of the consumer's requirements for the delivery of the products necessary for him.

8. The most important national economic material balances and plans for the distribution of products are worked out by the USSR Gosplan and the USSR Gossnab on the basis of state orders.

During the preparation of material balances and distribution plans the USSR Gosplan, the USSR Gossnab, USSR ministries and departments, and councils of ministers of the Union republics should proceed from the maximum possible development of wholesale trade and provide the resources necessary for this goal.

9. To provide subordinate enterprises with raw materials, supplies, semifinished products, and accessories, USSR ministries and departments and councils of ministers of the Union republics work out balances in sectorial and territorial terms, as well as take part in the formation by the USSR Gosplan and the USSR Gossnab of balances for cooperated deliveries of products.

Under the conditions of rise in the role of enterprises in the planning of production and development of deliveries on the basis of direct relations with consumers the USSR Gossnab, USSR ministries and departments, and councils of ministers of the Union republics must transfer the working out of balances and plans for the distribution of products to the enterprises that are their basic manufacturers.

10. To strengthen the interaction of the USSR Gossnab with the USSR Gosplan, USSR ministries and departments, and councils of ministers of the Union republics in the process of working out the plans for the development of the national economy as the most important condition for an efficient organization of material and technical provision.

For these purposes to establish that:

The USSR Gossnab takes an active part in the work carried out by the USSR Gosplan on preparing control figures and state orders and limits and on forming generalizing indicators of the economy of the most important material resources and the products list composition of state orders;

During the preparation of a draft of the five-year plan the USSR Gosplan and the USSR Gossnab work out calculated balances of material resources on the basis of control figures and state orders for meeting the need of production and capital construction;

in the process of independent development of five-year plans enterprises (associations) and organizations interact with consumers and manufacturers of products, as well as with territorial and other supply bodies, for determining and meeting the long-term need;

the USSR Gossnab, in the process of forming drafts of five-year plans for appropriate sectors and territories, participates in the work of USSR ministries and departments and councils of ministers of the Union republics on planning the development of production capacities for meeting the needs of the national economy;

during the preparation of plans for material and technical provision on the basis of state orders, assignments of the five-year plan for the appropriate year, and calculated balances, the USSR Gossnab jointly with USSR ministries and departments and councils of ministers of the Union republics examines the proposals of enterprises (associations) and organizations on the output of products for the forthcoming year and takes the necessary measures to meet their needs for resources, as well as works out and approves appropriate balances and plans for the distribution of products.

Development of Wholesale Trade and Other Progressive Forms of Material and Technical Provision

11. For the purpose of raising the efficiency of work of enterprises on the basis of full cost-accounting and self-financing principles and increasing their interest and responsibility for an economical utilization of resources, the USSR Gossnab and the USSR Gosplan jointly with USSR ministries and departments and councils of ministers of the Union republics must change over to wholesale trade as the basic form of material and technical provision within 4 or 5 years.

12. To proceed from the fact that the organization of wholesale trade is an important lever of reducing surplus stocks and of eliminating the shortage of material resources in the national economy and a means making it possible to strengthen the consumer's influence on the producer, to attain a correspondence between supply and demand, and to provide a real opportunity for every enterprise to acquire within the limits of its financial means material and technical resources corresponding to its needs and development plans.

Wholesale trade represents a form of providing consumers with material resources without limits (allocations) and is carried out directly by manufacturing enterprises or material and technical supply bodies on the basis of direct orders submitted by consumer enterprises to these bodies. Territorial bodies of the USSR Gossnab and

other bodies carrying out wholesale trade in means of production in accordance with concluded contracts bear full cost-accounting responsibility for the observance of the terms of the contract, primarily with respect to the volume, assortment, quality, and dates of receipt of products. In turn, consumers bear cost-accounting responsibility for an unsubstantiated overstatement of the need for resources and their inefficient utilization.

The organization of wholesale trade should ensure a close coordination of the needs of enterprises with production plans, expansion of the possibility of selecting specific types of resources, and increase in mobility in their utilization with a general reduction in stocks and acceleration of the rate of turnover.

13. For the purpose of expanding wholesale trade and determining the order of the transition to this form of organization of material and technical provision, the USSR Gossnab and the USSR Gosplan jointly with USSR ministries and departments and councils of ministers of the Union republics in the next few years must make the transition to trade in means of production for individual commodity groups, primarily those necessary for the output of consumer goods, provision for agriculture, construction, and machine building, and development of cooperatives and individual labor activity.

The organization of all work in the national economy on the development of wholesale trade should be entrusted to the USSR Gossnab and its bodies, which should closely interact in this work with USSR ministries and departments and councils of ministers of the Union republics.

14. To grant the USSR Gosagroprom, within the limits of material resources centrally allocated to it, the right to organize wholesale trade for subordinate enterprises for the purpose of more efficiently utilizing these resources under the conditions of enterprise activity on the basis of cost-accounting and self-financing principles.

To consider an extensive application of such a form of material and technical provision in other USSR ministries and departments, as well as in the Union republics, advisable.

15. Under the conditions of expanding democratization of economic relations and the development of specialization and cooperation of production to consider it necessary to strengthen in every possible way direct long economic relations between manufacturing enterprises and consumers. Direct economic relations are formed by enterprises independently, as well as with the participation of supply bodies, for products distributed in a centralized manner. On the basis of the strengthening of the role of economic contracts to ensure an increase in the requirements for an improvement in the consumer properties and quality of products, regularity of their deliveries, and formation of enterprise plans.

The consumer enterprise has the preferential right to the retention of existing and expansion of direct long economic relations with manufacturers and selects the form of delivery—directly by the manufacturer, or through a supply and sales enterprise.

16. For the purpose of creating conditions for mutually beneficial cooperation among labor collectives, more fully taking into account the specific requirements of consumers during the production of products, and most rapidly developing advanced, new types of articles, to grant enterprises, which have direct long economic relations, the right to a mutual transfer on the basis of concluded contracts of material and financial resources and to the establishment of additional payments (discounts) with respect to centrally set wholesale prices for fulfilling the client's additional requirements for a change in the consumer properties and completeness of products.

17. To increase the stability of provision of enterprises with material resources, the USSR Gosnab must ensure the development of overall supply carried out on the basis of contracts. At the same time, bodies for material and technical provision bear economic responsibility for a regular provision of consumers with products irrespective of the forms of their delivery.

18. The development of wholesale trade and other advanced forms of material and technical provision under the conditions of economic methods of management and an extensive utilization of full cost-accounting and self-financing principles should be directed toward an increase in the mutual responsibility and interest of enterprises and bodies for material and technical provision in the results of their activity. Under these conditions of management the role of the contract as the basic tool of organizing the interaction between production and the system of material and technical provision should be increased significantly.

Bodies for material and technical provision and enterprises bear property responsibility for nonobservance of their contractual obligations and compensate for the damage done in accordance with the established procedure.

In cases when the manufacturing enterprise refuses to conclude contracts for the delivery of products the problem of meeting the consumer's requirements is solved by the manufacturing ministry, or USSR Gosnab bodies.

Increase in the Role and Responsibility of Territorial Bodies of the USSR Gosnab for Providing Enterprises With Material Resources

19. Under the new conditions of management the role and responsibility of territorial bodies of the USSR Gosnab for a reliable and qualitative supply of material

resources for consumers and for ensuring effective control over deliveries of products will increase considerably. To transform in practice territorial bodies into the basic link of the USSR Gosnab system and to fundamentally change the forms and methods of their work in accordance with the requirements of the USSR Law on the State Enterprise (Association). Supply and sales organizations are called upon to become independent cost-accounting enterprises for servicing producers and consumers, storing and processing products, utilizing secondary resources, rendering paid services, selling products on a commission basis, determining possible supply sources, and performing other intermediate functions.

20. To consider the organization, jointly with enterprises, of a reliable and efficient system of material and technical provision in the region, establishment of stable and rational economic relations between suppliers and consumers, exercise of control over the fulfillment of deliveries of products, and rendering of effective assistance to enterprises in providing them with material resources the main tasks of territorial bodies of the USSR Gosnab.

Territorial bodies should actively affect production and consumption for the purpose of lowering material expenditures and stocks of physical assets. They should turn to the maximum degree into equal partners of enterprises (associations) in the provision of consumers with necessary material and technical resources according to concluded contracts and undertaken obligations.

To concentrate the activity of territorial bodies on developing advanced forms of supply and services for enterprises, primarily such as:

wholesale trade in products for production and technical purposes;

overall provision of consumers with products irrespective of the forms of their delivery;

warehouse supply for consumers receiving material resources in a quantity below railroad car and container norms;

rendering services of a production, commercial, and information nature according to consumers' orders.

To establish that, to ensure deliveries of products, whose supply is undertaken by territorial bodies of the USSR Gosnab, they conclude contracts with consumers and manufacturers, in which mutual responsibility for the fulfillment of obligations in accordance with legislation is determined.

21. The USSR Gosnab jointly with USSR ministries and departments and councils of ministers of the Union republics must ensure an accelerated development and

establishment of a modern material and technical base of territorial bodies with an extensive utilization of advanced technological processes and automated management systems.

For this purpose the USSR Gosnab must:

create at enterprises of territorial bodies complete stock of material resources in the quantity and assortment ensuring a reliable and smooth supply for consumers;

expand the network of sorting enterprises with the concentration of the entire necessary assortment of materials and articles at them;

develop at subordinate enterprises capacities for the preparation of metal, chemical, and pulp and paper products, cable articles, and building materials for production consumption and ensure an increase in the volume of these services;

organize at territorial bodies information services for enterprises concerning the application of new materials and articles, conditions of their purchase, and directions for an efficient utilization;

expand the network of commission stores for rendering services to consumers in the sale of unutilized products;

significantly increase the rental of instruments, apparatus, equipment, and mechanisms, including road-construction machines and other equipment, for the performance of construction work, primarily work carried out by the economic method.

22. For the purpose of transferring territorial bodies of the USSR Gosnab to economic methods of management and increasing the interest and responsibility of labor collectives for a reliable and stable supply, to transfer the indicated bodies to full cost accounting and self-financing in 1988. During the restructuring of the work of territorial bodies to proceed from the following:

to eliminate from planning practice indicators oriented toward the "gross" approach to organizing the work of territorial bodies and to evaluate their activity primarily on the basis of the fulfillment of contractual obligations for deliveries of products;

to base the economic activity of territorial bodies on cost-accounting income as the most important generalizing indicator of their work and the main source of production and social development;

to grant territorial supply bodies extensive rights in the utilization of cost-accounting income, primarily for an expansion of the volumes of work and services concerning the supply of material resources for enterprises;

to create the conditions necessary for accelerating the development of advanced forms of supply, primarily wholesale trade.

23. To intensify the economic interest of USSR Gosnab bodies in increasing the efficiency of services for consumers and to more fully utilize cost-accounting and self-financing principles, the USSR Gosnab and the USSR State Committee for Prices must revise the procedure of setting and applying supply and sales markups and discounts, as well as rates of services granted by these supply bodies.

Intensification of Work on Resource Saving

24. The CPSU Central Committee and the USSR Council of Ministers believe that the restructuring of the system of material and technical provision should be aimed toward the maximum possible saving of material resources, reduction of production stocks, maximum drawing of secondary raw materials into the economic turnover, and outstripping development of the production of economical and resource saving types of products.

Ministries, departments, and enterprises must strive for the maximum possible economy of material resources on the basis of the development and organization of production of modern highly efficient machinery, equipment, structures, and materials, creation of capacities for processing the waste of overall raw material processing, and an extensive introduction of waste-free technologies.

The USSR Gosplan, the USSR Gosnab, USSR ministries and departments, and councils of ministers of the Union republics must work out material balances and plans for the distribution of products on the basis of the need to ensure the fullest saving of material resources in the national economy.

During the development of production plans ministries, departments, and enterprises must ensure the application of scientifically substantiated norms of expenditure of material resources, as well as the utilization of all the elements of the new economic mechanism, for increasing the material interest of labor collectives in a careful and most rational expenditure of resources and in a reduction of their losses during storage and transportation.

During the conclusion of economic contracts enterprises must fulfill on a priority basis customers' requirements for the manufacture and delivery of products ensuring resource saving and a reduction in waste.

25. For the purpose of improving the coordination of the activity of USSR ministries and departments and councils of ministers of the Union republics during the development and realization of a unified resource saving policy the USSR Gosnab must:

strengthen the economic trend in the activity of commissions on the saving and rational utilization of material resources;

ensure a general guidance of the development and organization of sectorial and regional programs for the economy of material resources;

profoundly analyze the effect of the new economic mechanism on resource saving and work out the proposals on its further improvement;

form under the Interdepartmental Commission on the Economy and Rational Utilization of Material Resources a scientific council on problems of resource saving. Include in the composition of the council outstanding scientists and specialists in national economic sectors.

26. To establish that the USSR Gosnab is a central body carrying out the organization of all work on the utilization of secondary resources in the national economy and the planning and coordination of the indicated activity.

The USSR Gosnab, for the purpose of actively drawing secondary resources into the economic turnover, along with the establishment of specialized capacities, organizes and develops cooperatives for the procurement and processing of secondary raw materials in all the Union republics, as well as contributes to an extensive application of individual labor activity in this matter.

Councils of ministers of the Union and autonomous republics, executive committees of soviets of people's deputies, and territorial bodies of the USSR Gosnab must intensify explanatory work among the population and give the maximum possible assistance to the organization of the indicated cooperatives and to the creation of the conditions necessary for their successful work.

27. The USSR Gosplan, the USSR Gosnab, the USSR Ministry of Finance, USSR ministries and departments, and councils of ministers of the Union republics must carry out work on accelerating the rate of turnover of circulating capital and reducing commodity stocks and, at the same time, strive for a stable outstripping of production growth as compared with an increase in material stocks. Implement a rational placement of stocks in the national economy with a view to ensuring their big concentration in the statewide system of material and technical supply and on this basis an increase in the mobility of resources.

Increase in the Role and Responsibility of the USSR Gosnab

28. To establish that the USSR Gosnab as the central economic body bears full responsibility for the organization of material and technical provision in the country, regulation of wholesale trade, and control over it in

accordance with the new conditions of management, expansion of democratic principles in administration, and increase in the independence and responsibility of enterprises.

29. The USSR Gosnab is obliged:

to develop in every possible way economic methods of management, wholesale trade, direct economic relations among enterprises, and other advanced forms of supply and to organize the activity of their bodies on the basis of cost-accounting and self-financing principles;

to fundamentally improve the work with ministries, departments, and enterprises on meeting the needs of the national economy for material resources and to protect the interests of consumers of products;

to steadily implement in its practical activity the line of the maximum possible economy of material resources, fuller utilization of secondary raw materials, and acceleration of the rate of turnover of resources and to coordinate this work in the national economy;

to implement effective measures for strengthening the discipline of deliveries of products and for a strict observance of contractual obligations by enterprises and supply and sales organizations;

to pursue a unified scientific-technical and investment policy concerning the development of warehouse facilities, paying special attention to the elimination of inefficient shipments of products and the introduction of advanced types of packaging materials and package-container shipments with a view to ensuring a sharp reduction in losses of products during transportation and storage;

to strengthen the methodological guidance of bodies for the supply and sales of products in national economic sectors. To bring all standard documents in the area of material and technical provision into conformity with the new conditions of management and requirements of the USSR Law on the State Enterprise (Association).

30. For the purpose of increasing the efficiency of the system of material and technical provision for the national economy, organizing its work efficiently, simplifying its structure, and bringing it into conformity with the restructuring of the economic mechanism carried out in the country, the USSR Gosnab with the participation of USSR ministries and departments and councils of ministers of the Union republics must develop and submit to the USSR Council of Ministers in 1989 a long-term plan for managing material and technical provision for the national economy. At the same time, it must proceed from the need to reduce the stages in management and to increase the role and responsibility of territorial bodies of the USSR Gosnab as the basic link in material and technical provision.

To consider it necessary to implement the optimum combination of the statewide system of material and technical provision with sectorial systems; to abolish departmental supply and sales offices and depots selling products for intersectorial application and duplicating the activity of USSR Gosnab bodies; to rationally place enterprises and organizations throughout the country's regions and to optimize transport communications; to attain on this basis a reduction in distribution costs.

31. To improve material and technical provision for enterprises and organizations subordinate to the RSFSR Council of Ministers. To accept the proposal of the RSFSR Council of Ministers and the USSR Gosnab on transforming the RSFSR Gosnab into a Union-republic body of a dual subordination—to the USSR Gosnab and to the RSFSR Council of Ministers.

The USSR Gosnab and the RSFSR Council of Ministers must refine the structure and specialization of enterprises and organizations of territorial bodies for material and technical supply in the RSFSR.

32. The USSR Gosnab at all the stages of development and realization of plans for material and technical provision carries out a close interaction with permanent bodies of the USSR Council of Ministers for the purpose of more fully meeting the needs of the national economy for products produced by sectors forming part of complexes, primarily products corresponding to the highest world level.

An increase in the efficiency of utilization of material resources and in the elaboration and implementation of measures for the development and extensive introduction of new resource saving equipment and technology, solution of problems concerning the specialization and development of the production of products for intersectorial application, and organization of interministerial cooperated deliveries should also be attained in the process of interaction with permanent bodies of the USSR Council of Ministers.

33. To improve the quality and efficiency of management of the system of material and technical provision and the management of material resources and control over deliveries of products, the USSR Gosnab with the participation of USSR ministries and departments and councils of ministers of the Union republics must create an information computer system with an extensive use of hardware for an automated transmission of data and their processing.

For this purpose to ensure the further development of the automated management system of the USSR Gosnab and its interaction with automated systems of the USSR Gosplan, USSR ministries and departments, councils of ministers of the Union republics, and enterprises.

34. To raise the level and efficiency of scientific research in the area of material and technical provision. To concentrate the activity of scientific organizations of the USSR Gosnab system on developing urgent scientific research on problems of improving material and technical provision for the national economy and experimental design studies for the creation of advanced technology of warehouse operations and methods of package-container transportation of products.

To establish under the chairman of the USSR Gosnab a group of economic advisers from outstanding scientists and specialists.

35. To raise the efficiency of foreign economic activity of the USSR Gosnab.

At the same time, to proceed from the fact that the USSR Gosnab and its bodies are obliged:

to ensure the priority development of direct relations with enterprises and organizations for material and technical supply of CEMA members, as well as to establish joint enterprises for the processing of secondary raw materials, manufacture and repair of containers, and production of means of warehouse mechanization;

to organize jointly with the USSR Gosplan on the basis of a profound study of the need of the national economy the most rational export-import deliveries of products, a top-priority allocation of resources for the production of products for export, and a high efficiency and rational expenditure of currency resources;

to exercise prompt control and to ensure the fulfillment of obligations for deliveries of products for export;

to produce on a mutually beneficial basis with appropriate organizations of CEMA members an exchange of products released in the course of plan fulfillment.

36. In accordance with the new tasks and functions to revise the organizational structure of the USSR Gosnab. At the same time, to proceed from the need for a significant simplification of the structure and reduction in the stages of management, elimination of duplicating organizations, increase in the role of consolidated and functional economic subdivisions both in the center and in localities, and extension of the rights and increase in the responsibility of all USSR Gosnab bodies in the solution of problems concerning the planning and organization of supply for the national economy.

For the purpose of strengthening the intersectorial and functional direction in the activity of the statewide system of material and technical provision and creating conditions for its most efficient interaction with the USSR Gosplan, permanent bodies of the USSR Council

of Ministers, central economic departments, and sectorial and territorial bodies of management, to base the organizational structure of the USSR Gosstab on large intersectorial complexes.

37. The board of the USSR Gosstab, following the decisions of the 27th CPSU Congress and the January (1987) Plenum of the CPSU Central Committee, must fundamentally improve the work on the selection, disposition, and training of personnel, considering it the decisive means of an efficient activity of the USSR Gosstab system. It must take effective measures to raise the occupational level of workers, especially in the area of the economy, with due regard for the new tasks set for the USSR Gosstab.

To pay special attention to improving work on training a reserve of personnel for promotion with a view to staffing the apparatus of the USSR Gosstab and its central and territorial bodies with politically mature and highly skilled specialists capable of profoundly analyzing and critically and responsibly evaluating the situation with material and technical provision for the national economy, seeing the prospects for and efficient ways of solving uncovered problems in general state interests, and systematically and persistently implementing party and government decisions.

To promptly renew managerial personnel, keeping in mind that the attitude of personnel toward restructuring and toward the tasks of accelerating the country's social and economic development and practical actions for implementing them are the criteria of their evaluation.

To increase the effectiveness of certification of USSR Gosstab specialists in developing workers' initiative and activity and in strengthening the demands and responsibility for a conscientious fulfillment of the obligations imposed on them.

To constantly upgrade the system of retraining and improving the skills of managers and specialists in the system of material and technical provision, paying special attention to their study of the latest achievements of science and technology and of effective methods of planning and management and to their mastery of economic methods of management.

38. The party committee of the USSR Gosstab must persistently fight for the implementation of the decisions of the 27th CPSU Congress and improve the forms and methods of party work. It must direct the efforts of all party members and all USSR Gosstab workers toward the realization of the party's strategic policy of accelerating the country's social and economic development.

To increase the role and activity of the party organization in the restructuring of the work of the USSR Gosstab, selection, disposition, and training of personnel, intensification of glasnost in this matter, and further development of criticism and self-criticism.

To increase the demands on managers of subdivisions of the central apparatus and specialists. To strive for a steady fulfillment of adopted decisions on restructuring material and technical provision. To refine the style and methods of work and to eradicate formalism and bureaucracy.

To strengthen the activity of party organizations of all USSR Gosstab bodies in raising the vanguard role of party members, expanding glasnost in work, and developing criticism and self-criticism.

The CPSU Central Committee and the USSR Council of Ministers express firm confidence that central committees of communist parties of the Union republics, councils of ministers of the Union and autonomous republics, kraykoms, obkoms, gorkoms, raykoms, local Soviet and economic bodies, enterprises (associations), USSR ministries and departments, and, first of all, the USSR Gosstab, following the decisions of the June (1987) Plenum of the CPSU Central Committee, will take all the measures necessary to restructure the organization of material and technical provision, considering this one of the important conditions for a successful realization of the party's strategic policy of accelerating the country's social and economic development.

11439

Aktyubinsk Enterprises Not Ready For Self-Financing

*Moscow EKONOMICHESKAYA GAZETA in Russian
No 52, Dec 87 p 10*

[Article by V. Zhuravlev, EKONOMICHESKAYA GAZETA correspondent, under the "Party Organizations and Restructuring" rubric: "Full Cost-Accounting Requires a Reckoning: Twenty-six Aktyubinsk Enterprises Unprepared to Operate Under Self-Financing"]

Notes from the Kazakh CP Plenum of the Aktyubinsk Obkom

[Text]—Aktyubinsk (Kazakh SSR)—Once again, the chauffeur for N. Gudym, member of the Aktyubinsk Obkom of the Party asked, "What do I expect from today's plenum? There's a lot of talk in the newspapers and on radio and television about restructuring. But there's no sign of restructuring here in this rayon. Why is that? I hope this is cleared up at the upcoming plenum."

Seconding his comrade, N. Ryumshin, tractor brigade leader at the Pskovskiy Sovkhoz asserted, "Everything gets taken care of correctly at the plenums of the Obkom of the Party, but the trouble is that in some places everything stays the same as it always has been."

Why is it that the winds of change fail to blow through the "boondocks" of the Aktyubinsk Oblast? One would think that many of the other plenum participants were awaiting a serious, analytical discussion on this topic.

They didn't wait that long. The discussion never took place. And most likely it could not have been held. In fact this type of discussion presupposes utmost candor from each speaker and unquestioning openness to criticism on the part of every official. In Aktyubinsk itself, the plenum has been in a well-worn rut for years: they used to compile lists of "staff" orators, and soon each of their speeches was written and edited with a measured dose of criticism added.

The plenum of the Aktyubinsk Obkom of the Party, whose agenda includes the "Report of the Buro of the Kazakh CP Obkom on Guidance in Restructuring and Practical Implementation of the Decisions of the 27th CPSU Congress" acquired an "economic" bias from its very beginning.

No words need be spoken of the Party's leadership of the economy, but should this really have been done by enumerating figures? Here, it would seem that a different approach would be more suitable, i.e., showing this or that party member's influence on the state of affairs in a specific section of the work, telling what the members of the buro have been involved in, how they have been occupied and the nature of their contribution to restructuring. Unfortunately, those at the meeting were unable to obtain an answer to this question from the report given by Yu. Trofimov, first secretary of the obkom of the party, or from the speeches of other plenum participants.

In fact, matters could have taken a different turn. The importance of the plenum participants' carrying on a principled and impartial discussion of the manpower policy conducted by the secretariat, the bureaus, the sectorial departments of the obkom, the gorkoms and raykoms can be judged by the following quote from the report:

"By and large, the restructuring of personnel work is only in its initial stage. As always, we complain about the shortage of trained workers, particularly in economics, when there are over 27,000 specialists with higher educations and almost 42,000 with mid-level special educations in various sectors of this oblast's economy. In a situation such as this, references to a "dearth" of personnel are simply groundless. The other problem stems from poor efforts to form a labor reserve."

Without a doubt, personnel problems are a terrible burden for the Aktyubinsk Oblast's 63 remaining farms. They are finishing this year R15 million in the red. They include farms whose collectives have become accustomed to the position of permanent dependents. The level of management is so poor here that even price mark-ups fail to cover production costs.

The dismal state of affairs in the agro-industrial complex stems not so much from Kazakhstan's climatic conditions as from the obvious slipping of the economic mechanism within the agrarian sector. The directors of

many farms are bound to outmoded management methods, which are only vaguely like the way operations are organized under the new system.

An episode typical of this plan was brought up at the plenum. In order to check on the level of their economic knowledge, three farm directors were ordered to draw up a cost-accounting financial plan of their farms' operations. The directors dealt quickly with this task.

"Cut back on this and this and this," said each, readily providing details of his version of his farm's production activities.

"But if you will permit me to ask," then inquired First Secretary of the Obkom of the Party Yu. Trofimov. "how are you going to get by if you start cutting production back at these rates?"

"You will grant us a subsidy."

Regrettably, the above is no joke, but shows the actual level of economic competence of many agrarian directors. They have yet to take economic studies seriously in the Aktyubinsk Oblast. It appears that this is where one needs to look for the answer to why the oblast's farms are not producing the required yield, despite the fact that almost 93 percent of them, according to reports, have been converted to cost-accounting and are covered by various types of contracts?

Restructuring in the Aktyubinsk Oblast has yet to reach the basic party unit, i.e., the primary party organization. The reason for this? The sectorial departments of the obkom, and the gorkoms and raykoms of the party are still operating as they always have, i.e., by replacing the political method of leadership with the economic method.

Many of the staff workers are involved in gathering all possible sorts of information. They have not been taught the theory and practice of party-organizational or party and political work. Instead, technocratic working methods based on the "command", calling people "on the carpet" and giving them dressing downs are greatly in vogue.

Around the country, people are saying that rural problems are a chain of many links. One of the links by which the entire chain can be dragged consists in a city's industrial enterprises collaborating with villagers. The need to strengthen urban and rural business contacts was the topic of an address delivered by First Secretary of the Aktyubinsk Raykom of the Kazakhstan CP V. Myslina. The idea is no doubt correct. But we will hardly have to count on merely putting it into action in the near future. The whole thing is that the economic condition of Aktyubinsk's enterprises is little better than the state of affairs in the villages. In 10 months of this year, some 14 enterprises failed to meet their targets for growth in labor productivity. Some 15 enterprises (one-fourth) failed to meet their contractual delivery obligations. Almost R12

million in output were not delivered to customers. Ten enterprises failed to fulfill their plans for profits, and a ferroalloy plant and the Chemistry Plant imeni Kirov exceeded their planned losses by almost R2 million. How are these enterprises going to operate under full economic accountability; and self-financing? And the Law of the State Enterprise comes into force at the beginning of next year. Some 26 Aktyubinsk enterprises will have to change their operations over to the cost-accounting way of doing things. Are they ready for such a responsible step?

"We are not ready," was the self-critical response heard from the plenum rostrum. The foundation of the new management system—the anti-spending mechanism—has not been refined in many of the organizations. In almost half of the enterprises the average wage is increasing faster than the growth rate for labor productivity.

Development of a radical economic reform depends in large part on the preparedness of the labor collectives and their party organizations. Mistakes made in the initial period of this effort will have to be paid for with rubles. And there will be no discounts. Cost accounting will present a strict reckoning to them, but not to them exclusively. It will also be presented to the Aktyubinsk Oblast party workers who have failed to make the required effort to propagate the party's economic strategy in some places, and who failed to tell every labor collective member about the conditions of working in accordance with the principles of cost-accounting and self-financing, when every worker's wages will depend on the amount of income earned by the collective.

12659

Khorezm Obkom First Secretary On Progress, Needed Changes

18200050b Moscow *EKONOMICHESKAYA GAZETA*
in Russian No 52, Dec 87 p 12

[Interview conducted by *EKONOMICHESKAYA GAZETA* correspondent with Obkom Party First Secretary M. Mirkasymov, under the "Party Leadership of the Economy" rubric: "Strengthening Faith in Justice"]

[Text] It is the duty and the direct responsibility of every party organization to conduct and organize the radical restructuring of the management of the economy as worked out by the June (1987) CPSU Central Committee Plenum. As mentioned at the meeting of the CPSU Central Committee, where the tasks of the party's work at the new stage of restructuring were discussed, democratization and economic reform predicate definite changes in the functions of party committees and in the work of the party organizations. They are not simply to exert pressure and give orders, but must also guide, coordinate, unify and actively open the way to that which is increasingly progressing vis-a-vis improving the economic mechanism and the organization of labor and production.

M. Mirkasymov, first secretary of the Obkom of the Party told *EKONOMICHESKAYA GAZETA* correspondent V. Purgin about the methods the Khorezm Oblast's party organization is using to overcome the inertia of old modes of thinking, and how it is verifying the advanced methods of party leadership of the economy.

[Question] Mirakhmat Mirkasymovich, you were elected First Secretary following the April (1985) CPSU Central Committee Plenum. The legacy you inherited was, to put it mildly, less than ideal. Instances of stagnation in the economy, protectionism, nepotism in the selection of personnel and violations of the principles of social justice have been censured in the oblast, though they have not been overcome. What changes occurred in the period just past?

[Answer] The oblast party organizations are examining the economy more deeply, and are acting as standard-bearers of the new methods of economic operation. Thus, the Khankinskiy Kray increased its gross cotton harvest by 1,700 t and increased its profits by R3.2 million after introducing the collective contract. Unfortunately, there are still few such examples. The Bagatskiy and Koshkupyrskiy rayons are changing over to collective and family contracts with trepidation. And the places which have introduced it are somewhat sluggish in changing their non-contract units over to cost-accounting [khozraschet]. This tells me that not all the party and farm directors have grasped the magnitude of the new forms of labor organization. Here we see obviously unfinished work on the part of the obkom of the party and the oblast's agricultural industry.

The obkom of the party has recently changed its working methods. Its staff no longer sits on the telephones, but conducts on-site investigations of the situation and, along with the party and farm directors, works out solutions to the most important economic and social problems in these places.

But we are only at the beginning of the journey. It is obviously a bit early to talk about radical changes in the practice of party leadership. The attachment to old ways and the lack of a sense of time are still making themselves felt.

I once came out to a farm in the Yangibazarskiy Rayon. Neither the kolkhoz chairman nor the party committee secretary were there. They returned after midnight. It turned out that they had been at a meeting of the bureau of the raykom, where they had been discussing problems associated with expanding municipal services. Certainly, it is an important question, but they could have chosen a better time to discuss it; the kolkhoz was behind schedule in its cotton planting and the raykom had taken specialists away from their work so as to fulfill the plan for holding bureau meetings based on the previously-mentioned agenda. What is this if not sluggishness, and fear of being reproached for being late to take measures?

[Question] One gets the impression that the farm directors and partypersonnel are slow and rather reluctant to break old habits.

[Answer] Yes, many of them have turned out to be unprepared for the increased demands put on them. There were also some people in positions of leadership who violated the Party's standard of living and Soviet Law and who hindered restructuring or were simply incapable, in their position as party leaders, of organizing and getting people to follow their lead. For the two last years, for example, 60 percent of the complement of the oblast's leading workers have been replaced. However, this does not constitute a "shake-up", but rather a struggle for battle-readiness on the part of the staff, and purity in the ranks. The authority and effectiveness of our decisions depend on the way the director does his job.

I recently visited the Shavatskiy Rayon's Leningrad Kolkhoz. I was aware that former Chairman of the Board V. Shermetov had lost his party membership and had been censured for squandering state funds. But I had no idea of the depth of the tracks this personnel error had left within the collective. People were afraid to express their opinions openly, and when they did talk, they cast furtive glances at their superiors, to check their reactions. What kind of initiative from below was this, if it was pressed down like a slab by the arbitrariness of an unrestrained director? The former chairman gave no consideration to the opinions of his kolkhoz farmers. This would have meant changing not only the entire administrative system, but people's psychology as well. Padding, reporting of false plan figures, toadying and nepotism have caused major setbacks in our moral training.

In selecting new management, and the kolkhoz farmers themselves asked us about this, no mistakes could be made. R. Atadzhanov, who started out as a rank-and-file kolkhoz farmer and was then made the head of an agronomical district and served as a chief agronomist, was chosen. And no fault could be found in him, either in his role as a party member or as a director. The kolkhoz farmers supported the new chairman's nomination and were right to do so. Matters on the farm started being corrected.

[Question] Why didn't they pass a vote of no-confidence in the preceding chairman? What were they afraid of?

[Answer] For a long time people were appointed in camera to leading posts here. This is why our directors took their cues from the views of their superiors and ignored the workers' opinions, and this is how the objectionable ones survived. This is one of the main reasons some of the workers reduced their social activity. Now we have changed the situation by having directors report to the collectives under them, and of reports being made by the party members who work in the Councils, trade unions and in the Komsomol.

In the oblast's farms, for example, reports of brigade leaders involved in crop production have been completed. Analysis of these reports has given us a good deal of food for thought. Thus, for example, the Khankinskiy Rayon's 40 Years of October Kolkhoz expressed a lack of confidence in Brigade Leader M. Boltayev. As revealed to us in a conversation with the kolkhoz farmers, this action stemmed from the brigade leader's personal qualities. Beneath a facade of high exactingness, he often insulted the kolkhoz farmers, was rude, belittled their worth and was unfair when distributing work assignments. Brigade leaders on a number of farms in the Shavatskiy, Gurlenskiy and Yangibazarskiy rayons were "blackballed" for approximately the same reasons.

When the results were tallied up, it turned out that some 338 former brigade leaders failed to be elected. This outcome is evidence of the non-formalist and motivated participation of the labor collectives in discussing what are sometimes ticklish farm-related and social questions. Something else is obvious as well: the questionnaire approach for appointing junior production commanders is contraindicated, since a lack of confidence has been shown for a great many directors who had what seemed at first glance to be "ideal" personal records.

As a rule, kolkhoz farmers vote for exacting, objective, conscientious workers who know farming. And on the other hand, they have expressed a lack of confidence in unprincipled people who are incapable of making independent, bold decisions.

[Question] Obviously there will also be fewer mistakes in the selection of head directors if they likewise have to report to the party organizations.

[Answer] Certainly; the position of the head directors is solid when the partkom and the administration are of like mind when it comes to solving major restructuring problems and when state and party considerations prevail in cases of personal differences. A good example here would be the practice established at the Bagatskiy Rayon's Kolkhoz imeni Narimanov. It was based on the business-like and principled relations between Kolkhoz Chairman A. Iskanderov and Party Committee Secretary I. Tadzhimov. In no wise underhandedly supplanting the farm manager, Ikram Tadzhimovich nevertheless had a noticeable influence on the state of affairs in the collective and on production.

The party committee regularly takes up questions related to the farm's long-term development and personnel appointments and transfers, and listens to reports from leading specialists. The innocence and sincerity of Tadzhimov's relations with his people combined well with his party-related straightforwardness and exactingness. In all matters, his point of view is his own and is shared by party members. He is resolute in putting into practice

any decisions which have been adopted. It is significant that an uncompromising collective war is being waged here against a variety of violations and deviations from regulations.

However, there are also examples of a different "solidarity". Last year the obkom began getting word of padding at farms in the Shavatskiy Rayon. An investigation confirmed these cases: 1,324 hectares of sown area, including 1,167 hectares of cotton, were kept off the books. First Raykom Secretary O. Khatibayev, Rayispolkom Chairman B. Razhabov and RAPO [District Agro-Industrial Association] Chairman P. Sultanov turned out to be among the company of deceivers. The bureau of the obkom of the party has discussed their personal affairs. The guilty parties were severely punished for deceiving the state.

Let us ponder this: how and when is it possible for such depraved events to rear their ugly heads here? It was no doubt easier for them to occur where there was inadequate glasnost and democracy, without which healthy and productive circumstances are inconceivable. But we should not forget that the oblast and the republic as a whole have traditionally strong blood ties and ties to the land. There is nothing negative in and of these things themselves, but when there is insufficient educational work, they can develop into protectionism and cover-ups.

[Question] So has practice confirmed that glasnost is the best way to prevent similar occurrences?

[Answer] Without a doubt. And this is why we are not shy about talking about all such cases in print, or on the oblast radio and television stations. We have made it a rule that mistakes and misdemeanors made by directors regardless of their rank are discussed first of all by the primary party organizations. As practice has shown us, this is an excellent school for training, for developing criticism, self-criticism, civil activities and adherence to party principles.

For example, the party committee of the Tashkent Kolkhoz in the Koshkupyrskiy Rayon heard the account given by managing board Chairman I. Karimov. In his address he spoke a great deal, in accordance with the established rule, about the "objective" reasons which, he claims, are preventing kolkhoz livestock production from reaching the average oblast level. He did not forget to criticize himself a little, for the sake of order. He thought everything would pass off smoothly. But the party committee, in preparing for this meeting, looked into the state of affairs at the kolkhoz in great detail and then summarized its opinion by stating that the kolkhoz director was guilty of not heeding the specialists and keeping the entire affair to himself. The party committee condemned this method of operation and reprimanded the chairman. The director, who was actually used to

making all decisions himself saw, in the party committee, a great and very real force which can also provide support in matters such as this and can, when needed, set them right.

Of course, not every party director has sufficient tenacity and authority to defend a position not shared by a farm director. He needs courage, energy and competence. This is why the obkom places great emphasis on increasing the role of the primary party organizations, on giving more authority to its leaders. It is no secret that until recently many rural party organization secretaries, for example, were deputy directors of the farm section. And it is difficult to suddenly liberate them from the mindset of a dependent person.

I feel that the main thing here is to support the party organizations' initiative to attempt to abruptly change matters for the better and to strengthen the party leaders' faith in the irreversibility of the process of democratization. Not long ago at a meeting of the active membership, S. Abdullayev, who is the secretary of the Party Committee of the Bagatskiy Rayon's Kolkhoz imeni Dosov, criticized the raykom for the fact that it had already adopted several decrees aimed at expanding kolkhozes' social activities, but with no results. The obkom looked into how party decisions were being executed there, and discovered pretentious show and self-advertisement.

[Question] The June CPSU Central Committee Plenum emphasized the fact that acceleration is possible only by sharply improving people's working and living conditions. What has been done in the oblast on this plane?

[Answer] The problems related to people's lives, which heretofore have gone unsolved or which have been solved very slowly, have now become the main problems for directors of all classes as well as party, soviet, trade union and Komsomol organizations. Within the oblast, the Health, Service, Greenery Planting and Sport goal-oriented integrated programs are under way. In implementing the Housing-90 Program, we are trying to provide housing for everyone in need on the housing waiting list during the 12th Five-Year Plan period, and are striving to wipe out the list in the countryside. With this in mind, our efforts have already been aimed at overfulfilling the plans, expanding construction by using our own resources, increasing the capacities of our construction base and by putting all our resources to use.

[Question] And what is there left to do? What forms will continued restructuring take?

[Answer] We have no right to rest on our laurels. The economy needs a decided boost. The 10 months' plan for volumes of disposable output has been fulfilled by the oblast's industrial enterprises by 104.6 percent, but expansion of the agro-industrial complex is causing serious concern. For the last 10 years, the fixed production capital of our kolkhozes and sovkhozes has

increased more than 2-fold, the yield on capital has fallen off and we are seeing no growth in labor productivity. For three years, the oblast has failed to fulfill the plan for cotton sales and owes the state 86,000 t of adobe.

A great many reasons could be cited to explain this situation. They include the raising of a single-crop—cotton, which has been practiced for many years, the failure to rotate cotton with alfalfa, the worsening reclamation situation on our lands and the quality of our irrigation water. But the main problem is still the reduced demands on our workers. This is precisely why the first task in the party's guidance of the economy is to support the already-aroused initiative of the people, and to come to a point at which they handle the matter commissioned to them with a raised consciousness and with a tremendous sense of responsibility. The demand; and once again we repeat: the demand. The party will evaluate the work of all the party organizations and farm directors by the activity of the people in the restructuring effort.

12659

INDUSTRIAL DEVELOPMENT, PERFORMANCE

Association Cites conflict Between State Orders, Enterprise Law

18200051a Moscow *EKONOMICHESKAYA GAZETA*
in Russian No 52, Dec 87 p 7

[Article by B. Lishchina, general director of the Northern Donetsk Azot Production Association, under "Self-Financing: Experience and Problems" rubric: "State Orders: Expectations and Reality"]

[Text] How is a state order filled in the daily practice of management? What sort of attitude to it is taking shape in the Center and in the provinces? In taking up these questions, we would like to continue a discussion which was begun in the article "The State Order", written by Yu. Frolov (Issue No 38).

The state order and the principles upon which it is formed can exert a decisive (positive or negative) influence on the economics of our Azot Association, and in fact these days we operate with indicators which influence the well-being of not only our collective, but the results of the sector as a whole. At an average annual volume of commodity production of R530 million, profits of R152 million, a high profitability level (16.5 percent for our fixed productive capital and 40 percent for our prime production cost), we feel reverses in the growth rates assumed by the association to be extremely undesirable. This is why we are trying to give as much consideration as possible to all possible profits and losses prior to the introduction of each innovation. This refers to state orders as well.

A few words about the way state orders were represented to us prior to having received them. We thought the Center would determine which types of scarce output were most important for the national economy and would order them to be produced by those enterprises which had better potentialities than other enterprises, i.e., proximity to the raw materials base, available reserve capacities and a trained work-force. Clearly, (compulsory) production of the output specified in the state order would have to be completely and compulsorily provided for organizationally as well as in material-technical respects.

The question came up of how many output designations an enterprise is obliged to produce in compliance with a state order? We figured out that the number would be one, using two or three designations. For our association, these products would be polyethylene, methanol and acetic acid, the raw materials for which are difficult to come by and the production and sale of which are quite difficult, even though these products can justly be considered among the most crucial to the national economy.

Were our expectations met? Obviously a positive response to this question would not be altogether correct. And here's why. Having obtained our state order for 1988, we saw that there could be no question of the independence provided for in the USSR Enterprise (Association) Law. The state order obliged us to produce 11 types of output, but there will actually turn out to be many more. For example, the line "mineral fertilizers", if decoded, means production of a number of large-tonnage products, and the "consumer goods" column contains about 30 designations and products. As it turns out, practically all the association's commodity production has to be produced on state orders. The following question is in order here: Will any benefit come of this "mass inclusion" of an enterprise's economic operations by the state order system? Up to now, we have said over and over again that the plan is the law, and we fail to fulfill it with every step we take. Now we'll be saying that the state order is the law, but how many years will pass before we find a lot of so-called objective reasons for not fulfilling a state order?

When they were drawing up state orders, the ministries and departments were obviously more concerned with their own interests and were afraid to let the reins of government slip out of their own hands. But perhaps even this is not the main thing. Enterprises, for that matter, will be working in compliance with this scheme too, but only if their work is not overshadowed by disruptions in raw materials deliveries and transport and by other economic disorders which are well known to everyone.

Of course, it's easier to draw up a plan on paper than to fulfill it. We were promised that we would be provided with one-hundred percent of the material and raw-materials resources needed to fill state orders. But we have a state order right here, only 80 percent of the

materials for which have been provided, even though there are only a few days remaining until next year. The previous scenario is being repeated, i.e., an enterprise's production plan begins, but raw materials are only being talked about. We feel that the following procedure needs to be established once and for all: state orders should be sent to their destinations with full complements of economically and technically substantiated funds for raw materials, materials and power resources.

And we feel it will be best of all when raw materials are produced by state order as well. The time is long overdue to eliminate the inequality in the supplier-customer partnership, and to eradicate the dependent position of the latter.

The following case is evidence of the end result of this inequality. For the last 8 years we have failed to fulfill our plans for production or delivery of polyethylene. This stems solely from the frequent disruptions of raw materials deliveries, i.e. ethylene, which comes from the USSR Minneftekhimprom [Ministry of the Petroleum Refining and Petrochemical Industry] Lisichansk Oil Refinery. We are connected to this supplier by a pipeline through which the ethylene is delivered, so to speak, in perpetuity, and we obtain our raw materials from no other source. One would think that the planning organs would take this into account. But unfortunately, this has not been the case. Our polyethylene used to be part of the USSR Council of Ministers' list of products, and ethylene was on the "production wastes" column. Polyethylene is now part of the USSR Council of Ministers state order and ethylene is part of the USSR Minneftekhimprom state order. And even though they have tried to convince us that this makes very little difference, we who have been taught by bitter experience do not have complete faith in promises such as these.

Those things which frequently concerned the state order in only a pro forma sense, and which were not studied scientifically to the requisite degree, are obvious to the unaided eye this year. Take for example the state order for performance of paid services to the population. It was evidently drawn up more based on good intentions than real opportunities. Thus, our association's state order for 1988 was set at R2.7 million, which is R800,000 more than we achieved this year with a great deal of difficulty. It is sometimes asked how this unrealistic task can be performed if we now have to put the recently introduced housing fund onto the gorispolkom's balance-sheet, with no expansion of preschool facilities planned for this year. This is why the entire increase in paid services needs to be provided at the expense of domestic services. In order to cope with the state order, we need to increase the volume of these services more than 15-fold, which our enterprise cannot do in one year with our available potentialities.

Thus, the state order for 1988 differs greatly from the ideal version described in Yu. Frolov's article. It also greatly abridges the rights of economic managers, which

were granted them by the State Enterprise Law. In addition, a collective which successfully carries out a state order receives no reward whatsoever, and thus loses its motivation. It would seem that everything would be the other way around.

Many of the costs and errors made when making up the state order could have been avoided if this had been done more deliberately, with consideration for the opinions of enterprise directors and soviets of labor collectives. Then we certainly would not be witnessing the confusion now prevalent in economic relations. In turn, when the draft for the State Enterprise Law was being discussed, the directors were often advised not to wait for directives from above, but to find raw materials suppliers themselves, and to conclude economic contracts with them independently. And many of them did just that: they turned to their traditional suppliers and got in touch with new ones. And when they began to conclude contracts with them, they were refused, since the raw materials then being produced were now incorporated into the state order. So much for independence! Did not the directors who displayed no initiative and who, as they always have, await directives from the Center, turn out to be the winners?

I would like to finish with the same conclusions contained in the article. When a state order is in effect, ministers, departments and enterprises should be made much more responsible for balancing and comprehensively coordinating the plans. We are in favor of this approach.

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Readers' Letter Links Job Loss, New Economic Requirements

18200097 Minsk SOVETSKAYA BELORUSSIYA in Russian 19 Jan 88 p 3

[Letter by Ye. Karpovich: "How I Became a Dependent" and editorial comment]

[Text] For more than 9 years I have worked at the peat briquette plant "Starobinskiy". I arrived here together with my husband according to assignment after graduation from the Belorussian Polytechnical Institute. I was a master and recently an engineer-technologist. I did work on efficiency methods and inventions. More than once our enterprises occupied a prize-winning place for its efficiency in introducing innovations.

Now, in connection with the changeover to new conditions of the economy, the plant has started to reduce its staff. I found myself among those cut.

At this time I consider the administration's decision to be unfair and prejudiced. Among those retired I was the only one with higher education corresponding to the enterprise's work. At the same time, agronomists, zoologists and other specialists, whose training is far from the fuel industry, remained.

I turned with my complaint to the Soligorsk raykom of the Belorussian Communist Party and to the BSSR Ministry of the Fuel Industry, but they did not help.

The director of the plant explained the reasons for my retirement by the fact that I have small children, they get sick, and he does not need such workers.

I tried to find work at other enterprises. I turned to the labor bureau, I went to cadre departments, all without results. Earlier in Soligorsk it was not simple for a woman with higher education to find work, and now, when they are looking for reductions, it is even harder to find.

Thus I have become dependent on my husband. I am ashamed in front of my son (he is 8 years old and understands everything) because I am a healthy educated woman and am not at work. How do I explain to him that it is not my fault? And also, to tell you the truth, it is very difficult to live on one salary with two children. I do not know what to do.

FROM THE EDITORIAL BOARD. We are printing an abridged version of Yelena Nikolayevna Karpovich's letter because some of the facts which she reports require checking. But even from what is published it is apparent that the situation in which she finds herself cannot be called simple. Recently the editorial board's mail has been swelled with letters whose authors complain about the haste and prejudice on the part of the administration of enterprises in resolving questions about reducing their staffs. A characteristic detail is that no one disputes the need for such cutbacks. People understand that rationalization of production is a command of the times. It is another matter, however, that during this we should not forget about those people who will need to change their place of work, and for some, their profession. This is what they did, for example, in the collective of the Minsk metro, about which the newspaper reported last year. If one reacts formally, without concern, to employment of freed-up workers, then qualified workers remain unemployed, on whose training the state spent a great deal of money and who want to and are able to benefit the country.

Statistical Experiment: Enterprise Net Production Indicators

18200055a Moscow VESTNIK STATISTIKI in Russian No 11, Nov 87 in Russian No 11, Nov 87 pp 27-33

[Article by G. Edelgauz, doctor of economic sciences, professor, Leningrad Engineering and Economics Institute imeni Palmiro Tolyatti: "On Evaluating the Results of the Activity of an Industrial Enterprise"]

[Text] An extremely crucial task for state statistical agencies that ensues from the decisions of the 27th CPSU Congress is the development of the scientifically substantiated system of indicators for evaluating the results of the economic activity of individual enterprises and labor collectives.¹ One of the basic indicators in such a system should be the volume of production of output, which links all the rest of the physical and value characteristics of the enterprise's operation. As we know, the application of indicators of gross, commodity and sold output for this purpose reduces the motivation to economize on material resources and when the results are summed up for the various branches and regions it leads to repeated accounting. There is a corresponding distortion of derived indicators: labor productivity, production outlays, and so forth.

Therefore, what M. S. Gorbachev said at the meeting of the aktiv of the Leningrad Party Organization in 17 May 1985 is important for statisticians: "We, comrades, must change over basically to calculating productivity on the basis of national income. And the national income is the greater the less the expenditures not only of live but also of embodied labor."²

In the national economy as a whole the national income is calculated as the sum of the net output of the branches of material production. It is completely free of the influence of the total material expenditures and thus makes it possible to determine the dynamics of the productivity of public labor which includes savings on embodied labor.

At the present time, under the leadership of planning agencies, an experiment is being conducted in applying the indicator of net output in the planning of the industrial production of individual enterprises. Here it is considered that the net output, being the result of the labor of the given collective reflects the new value it has created and is the enterprise's contribution to the country's national income. The volume of net output of an individual enterprise is a variety of the volume of commodity output in wholesale prices at enterprises and the sum of material expenditures on its production, including amortization.

The fact that the methods of calculation are analogous, however, is not a reason to think that the net output of an individual enterprise, that is, the local indicator, has the same properties and can directly perform the same functions as the national income, that is, that of a generalizing, system indicator. At various levels of the system hierarchy it is necessary to have various modifications of the indicators. In particular there cannot be a generalizing indicator (commodity output, normative net output [NChP] and so forth) for the shop, section, or brigade. Because of the fact that accounting within production does not reflect material expenditures, there can be no indicator of net output of individual subdivisions of the enterprise either.

Let us consider the indicator of net output of an individual enterprise as the evaluation of its contribution to the country's national income in two aspects—from the standpoint of the national economy and from the standpoint of the enterprise itself.

For the national economy the net output of an individual enterprise cannot serve as a relative characteristic of its contribution to the national income. Just as labor, which forms value, "is identical human labor" and "has the character of the average social labor force,"³ so the national income (newly created value) for generalizing indicator for the national economy as a whole. In it the irregular distribution of the added product in the various branches and enterprises is leveled out, the deviation of prices from value cancel each out, and the sum of prices approaches the value. Thus the national income as a whole is homogeneous and its level approximately corresponds to the level of socially necessary expenditures of labor. The national income passes through various phases (stages) of reproduction and correspondingly is measured by various methods: 1) production—as the sum of the net output of all branches of the sphere of material production; 2) distribution—as the sum of primary incomes of the population employed in the sphere of material production; 3) by the method of final utilization—as the sum of final incomes of enterprises that form the accumulation fund and all kinds of non-production consumption in the national economy; 4) by the method of national income used for consumption and accumulation—as the sum of funds for consumption and accumulation (private and public) and the amount of reimbursement for losses and the foreign trade balance. Indicators of individual enterprises reflect basically the third and fourth phases, that is, they are formed after partial redistribution of the national income and are reflected in the system of prices actually in effect. These prices characterize the irregular distribution of the added product among the branches and enterprises and a significant deviation of prices from value. We know of the difficulties caused by the lack of comparability of data when analyzing the national income: the contributions of industry and agriculture are not comparable because of the fact that the product created in agriculture is partially sold through the turnover tax in industry and other branches; the proportions of the funds for accumulation and consumption are incompatible since the means of production (the basic part of accumulation) are evaluated in wholesale prices and the consumption fund—in retail prices; international comparisons are difficult because of the various structures of production and price systems. Even greater and insurmountable difficulties arise if the net output of the enterprise is used as the indicator of the final result of its activity, trying to coordinate it with the other economic indicators, to compare it with the indicator of net output of other enterprises, and to study when there are large structural changes in the products list. Moreover, the net output is determined in the wholesale prices of the enterprises and does not contain the turnover tax and therefore it is not completely linked to the national income. The indicator

of the net output of an individual enterprise cannot be compared with the generalizing indicator of the total national income and it cannot determine the share contributed by the individual enterprise or labor collective to the overall increase of the national income.

We shall give two examples of incomparability of data of individual enterprises. (Wages depend not only on the quantity and quality of labor but also on the significance of the branch, working conditions, the location of the enterprise, and so forth.) One example. While in 1985 the average monthly earnings of workers in construction amounted to 245.3 rubles, in industry—211.7, and in agriculture—179.7, this does not mean that a worker in construction makes a contribution to the national income that is 1.11 times greater than that of the worker in industry and 1.37 times greater than the worker in agriculture. Another example. The profitability of industrial enterprises (almost half of the overall composition of the net output) in 1985 for various branches ranged from 6.9 to 24.1 percent (with an average profitability throughout industry of 11.7 percent).⁴

And so from the standpoint of the national economy the net output of an individual enterprise cannot be regarded as its relative contribution to the country's national economy: the data concerning it are not comparable.

The net output cannot serve as a description of the collective's contribution to the creation of the national income from the standpoint of an individual enterprise either. Marx, when analyzing expenditures of live labor on transforming cotton into yarn noted that "...the real product of this labor (in terms of consumer value) is only the form of yarn that has been added to the cotton."⁵ This means that the net output of the individual enterprise does not have a particular physical-substantial content in the form of the set of specific consumer values or work that is produced. In this it is radically different from the country's national income to which the created gross output and the final social output with their substantial content correspond simultaneously.

The net output of an individual enterprise does not participate in the circulation of its capital; it is a calculated amount. When calculating its volume they do not take into account the production factors that are most important for the enterprise.

If the volume of output of items is designated by q and the price— p , all material expenditures— M equals m plus A where m —current material expenditure; A —amortization, then the volume of net output $gSq(p-m)$ equals $gSq(1-m/p)$, that is, with the given prices it depends only on the volume and structure of the products with various material-intensiveness M/p . The change in the rest of the production factors does not affect the dynamics of the volume of net output. But scientific and technical progress, specialization and cooperation, increased production with fewer personnel,

reduction of manual labor—all these progressive processes lead to an increase of the proportion of the material constituent in expenditures, that is, to a relative reduction of the volume of net output. If the material-intensiveness increases then the volume of net output increases more slowly and sometimes it does not increase at all and, depending on the change in the products list, it is not the same for the various months and quarters. A partial accounting for production factors only in terms of live labor can at individual enterprises lead to a reduction of the evaluation of the unit of output and not reflect the real results of their activity. In the national economy as a whole the growth of the volume of net output is adequate to the growth of its physical content. At an individual enterprise this is not always the case.

In the country's national income there is a unity of results and expenditures—the amount of expenditures transformed into output is the amount that is distributed. For the enterprise this condition is not observed, since only its expenditures are considered. After subtracting from the wholesale price the material expenditures as part of the net output there remain wages and profit, that is, basically the sources of expenditures of the enterprise which are included in the society's income only to an insignificant degree. For the enterprise the calculated wages (with the exception of a small proportion of taxes exacted from the workers) is an expenditure category. About 12-15 percent of the profit of enterprises⁶ are essentially linked to production outlays. According to our selective data, they comprise more than 40 percent at enterprises with low profitability and up to 70 percent of enterprises that have been changed over to conditions of self-financing. One should not confuse expenditures with the final results of the work of the enterprise.

In the experiment that is now being conducted it is necessary to check the indicator for modification of the net output in the form of the conventional net (final) output. This indicator approaches the evaluation of the physical-substantial content of the national social product in the national income since it reflects the production factors utilized for their creation—live labor and its capital availability. The application of the conventional net output corresponds most to the development of technology and the economy of production in the modern stage.

The classics of Marxism-Leninism foresaw the great changes in the nature of labor resulting from the assimilation of the achievements of scientific and technical progress. Marx wrote: "...As large-scale industry develops the creation of real wealth depends less on the working time and on the quantity of labor expended than it does on the power of those agents that are put into motion during the course of the working time..."⁸ Lenin noted that "human labor is increasingly receding into the background behind machine labor."⁹

The return from live labor depends essentially on the capital availability. About 50 percent of the indicator of the enterprise's net output is composed of wages (labor expenditures), which should decrease per unit of output and should not be the measure of the created consumer values. During the period of the emergence of automated production in the sections, shops, and plants with technologies that do not involve humans, even now it is possible to approach evaluating the net output of an individual enterprise taking into account the important remark of Marx that with the development of large-scale industry "...working time ceases to be and should cease to be a measure of wealth."¹⁰

The conventional net output takes into account expenditures of embodied labor in the means of labor. At the same time, since it is also net output, it retains the evaluation of the savings on current material expenditures and eliminates repeated accounting of them. But then there is a change in the content of the indicator of production volume. As distinct from the indicators of growth, commodity, and normative net output, it depends on the change not only in the volume and structure of the output q , but also on proportional current material expenditures m/p .

If the volume of output in comparable wholesale prices is designated by Q equals gSq_p and the total current material expenditures on the annual output— MZ equals gSq_m , then the change in the volume of conventional net output [cnp] gDQ_{cnp} equals $Q_1 (1 - MZ_1/Q_1) - Q_0 (1 - MZ_0/Q_0)$. It can be influenced by the change in the volume of output— $(Q_1 - Q_0)(1 - MZ_0/Q_0)$ and the change in the material-intensiveness— $[(1 - MZ_1/Q_1) - (1 - MZ_0/Q_0)]Q_1$. The latter can be the result: a) of a change in the structure of output with varying proportional material-intensiveness (this process is now largely linked to the use of electronics and machine tools and equipment which, as a rule, are batching items and significantly change the structure of expenditures on output); b) of the reduction (increase) in expenditures per unit of output; and c) the unreliability of accounting for materials. For the group of machine-building enterprises our calculations show that the reduction of material-intensiveness in 1986 amounted to more than 40 percent of the overall increase in volumes of net and conventional net output. Therefore one must take into account that when calculating labor productivity in terms of the indicator of net or conventional net output it is not acceptable to use the usual formula: the volume of output is equal to the product of the number of workers times labor productivity. Under conditions for the volume of net output is significantly affected by the change in material-intensiveness which is not largely the direct result of the work of the collective for economizing on materials (for example, a change in the products list), the net output is not suitable for regulating the wage fund. This problem must be solved with a method of shared or residual distribution of net income or by some other means.

It should be noted that during the time of the experiments in the area of calculating the volume of net output in the 1960's and especially in 1969 and also in 1970 at 106 enterprises a number of difficult economic and statistical problems arose. They include the reliability of the accounting for material expenditures, the efficiency of determining indicators, the selection of the initial indicator of the output volume, the influence of the consumer on the work of the manufacturing enterprise, and the possibility of consolidating the results for a group of enterprises.¹¹

For the sake of discussion we shall make some remarks about these problems. The volume of net output of an individual enterprise is a local indicator of the cost accounting unit that serves to evaluate the volume of production, labor productivity, and output-capital ratio. A clear-cut delimitation of the functions facilitates further formation of the indicator.

At the present time at the majority of enterprises system bookkeeping for material expenditures is conducted completely in terms of all the expenditures on production (according to the elements of expenditures) and direct outlays for direct costs. Material expenditures are frequently not revealed in the complex cost items (expenditures on the maintenance and operation of equipment, and shop, general plant, and nonproduction expenditures). It is necessary to organize this kind of accounting. So far conventional methods are suggested for evaluating the volume of material expenditures in the makeup of the commodity or sold output in terms of their share in expenditures on production. But the share of material expenditures fluctuates significantly during the course of the year. Since the makeup of the commodity or sold output and work taken into account in the expenditures on production are not interlinked, the fluctuations in the volume of material expenditures introduce an unforeseeable error in the quarterly calculations of the volume of the net output. For certain plants they amount to from -2.3 to +7.6 percent, that is, they reach the permissible levels for evaluating labor productivity which changes of its own accord within these limits.

In this situation the volume of conventional net output can be expediently calculated as the difference between the volumes of commodity output and direct material expenditures. This makes it possible to take into account the differences (Marx wrote about them) between material which forms the main substance of the product and auxiliary material which is consumed by means of labor or contributes to this. Then the conventional net output acquires economic content: it reflects live labor and complete expenditures on technical equipment for it. There is no other way to understand why when evaluating the results of labor the wear and tear on equipment (amortization) is taken into account but no attention is paid to energy, repair, instruments, or service for production.

One of the problems in determining the volume of net and conventional net output is associated with the fact that the volume of material expenditures is not known until the 10th-12th of the month following the report month, and the report on the volume of production and labor productivity must be drawn up on the first-second. Conventional methods are suggested for evaluating the volume of net output for the month in terms of the relationship between the volumes of net and commodity output according to the plan or for the preceding month. This might not be sufficient for efficient management, the more so since the wage fund will be regulated by other normatives. It is necessary to have a comprehensive system of interconnected indicators of the final result of the enterprise's activity. In terms of the physical composition—this is the fulfillment of agreements for deliveries and in value it is the earnings from sales, profit, production cost, labor productivity, output-capital ratio, turnover of capital, and so forth. Perhaps there should be no lag in time between the evaluation of the volume of production and the other value indicators of effectiveness since this leads to a distortion of indicator. Out of considerations of the comprehensiveness of the final results it follows that the volume of conventional net output should be determined on the basis of the sold output, and not the commodity and certainly not the gross output—which are intermediate indicators of the operation of the enterprise. But here there are additional difficulties related to the evaluation of the volumes of output and material expenditures and comparable prices and also the lack of synchronicity of the periods of sales and production, which is important when calculating labor productivity. Ways of overcoming these difficulties can be found with mass experimentation.

The price-setting methods do not sufficiently take into account the quality of the items or the relationship between supply and demand, that is, the interests of the consumers. Therefore until the price-setting system is restructured we suggest that the volume of the net output include increments to wholesale prices for highly effective products and items with the Emblem of Quality and increments for new consumer goods of improved quality and that rebates from wholesale prices be excluded.

It would be desirable to apply the net output as the generalizing indicator of the volume of production for various enterprises. Then the consolidated results of the growth of labor productivity in the various groups of enterprises in the cross-section of the regions and branches will be the individual indicators of the volume of production and the number of workers. If it turns out to be more expedient to use differentiated indicators of the production volume taking into account the peculiarities of the branch, the consolidated total will have to be determined, as it is now, according to the results of the commodity (or sold) output. In individual cases this result can be different from the one obtained when calculating in terms of the indicator of net or conventional net output which takes into account savings on materials as well. The larger the group of enterprises the

broader the possibility of mutual canceling out of various deviations in the initial data for their indicators and the more stable the consolidated indicator. For operational observation of the work of enterprises in the region or branch one can use a ranked series for distribution of the rates of production volume and the growth of labor productivity and its order characteristics—median, quartile, decile (for example, when summing up the results of socialist competition).

From the standpoint of calculations the indicator of the conventional net output is more acceptable than the indicator of net output. Let us consider this point using a conventional example. Net output is determined as the difference between data of similar amounts (volume of output minus volume of all material expenditures) and is therefore a small amount (about 30-35 percent of the wholesale price and 60-65 percent of the conventional net output), which makes it unstable even with minimum deviations in the initial data. Let us say that the volume of output in wholesale prices was 100,000 rubles, the volume of direct material expenditures—45,000 rubles, complete material expenditures including amortization—65,000 rubles, and all figures deviate from these by 1 percent. Then the volume of net output would be $100,000 - 65,000$ equals 35,000 rubles, and strictly taking into account the limits of error it would be in the range of from 33,400 rubles to 36,700 rubles, that is, the deviations from the precise amount would be from - 4.6 percent to +4.8 percent. Allowing this, the volume of conventional net output would be equal to 100,000-45,000 equal 55,000 rubles, and the deviations—from -2.5 to +2.7 percent, that is, it is more precise by a factor of approximately 1.8 than the volume of net output is. The proportion of profit in the net output will amount to about 50-60 percent and in the conventional net output—20-30 percent. A deviation in the profitability of items by 5 percent affects the amount of the volume of net output in the range of 2.5-3.0 percent, and the conventional net output—1-1.5 percent, that is, half as much.

The advantages and shortcomings of each of the variants for calculating the volume of net output can be revealed only under conditions of the experiment that is taking place under the leadership of planning agencies (the Scientific Research Institute of Planning and Norm Setting of the USSR Gosplan), whose program, we think, should necessarily include a comparison of the volumes of conventional net output. In organizing the experiment and summing up its results an important role should be played by statistics since the content and techniques for constructing indicators comprise the basis of socioeconomic statistics.

Footnotes

1. See: Korolev, M., "On the Tasks for State Statistical Agencies Ensuing From the Decisions of the 27th CPSU Congress," VESTNIK STATISTIKI, No 4, 1986, p 12.

2. KOMMUNIST, No 8, 1985, p 29.

3. Marx, K., and Engels, F., "Soch." [Works], Vol 23, p 47.

4. See: "The USSR National Economy in 1985," Moscow: Finansy i statistika, 1986, pp 397-398, 551.

5. Marx, K., and Engels, F., op. cit., Vol 26, Part I, p 183.

6. KOMMUNIST, No 12, 1980, p 47.

7. Certain economists think that one should add to the national income the sum of amortizations and the differences in supplies of circulating capital and thus obtain the final social product (see: "Indicators," PRAVDA, 9 December 1985, p 3). Others suggest "in order to measure the value of the total social product one should use the final social product (conventional net output). By adding to it the volume of implements of labor used in the process of production taking into account differences as of the beginning of the year, we obtain the value of the annual total global social product minus the repeated accounting for past labor" ("Rates and New Quality of Growth," PRAVDA, March 1987, p 2).

8. Marx, K., and Engels, F., op. cit., Vol 46, part II, p 213.

9. Lenin, V. I., "Poln. Sobr. Soch." [Complete Collected Works], Vol 1, p 78.

10. Marx, K., and Engels, F., op. cit., Vol 46, part II, p 214.

11. At that time many of the aforementioned problems were temporarily solved by changing over to normative indicators: normative net output NSO (normative value of processing) and so forth. But when utilizing these indicators, particularly the normative net output in machine building, in our opinion, the following problems arose: a) a lack of influence of indicators on the work of enterprises for economizing on materials, b) in compatibility of indicators of production volume for the region and branches with various indicators (normative net output, NSO, commodity output, and so forth), c) a disparity between the normative net output and the wholesale price and the other economic indicators as well as a lack of control over the dynamics of the normative net output, d) rapid obsolescence of the normatives, e) in ability to apply unified average branch indicators of the normative net output with various levels of cooperation, f) difficulty and labor-intensive-ness of calculations of normative net output, and g) lack of interest on the part of the client in the level of the normative net output and the impossibility of using this indicator to influence the producer.

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AGRO-ECONOMICS, POLICY, ORGANIZATION

Problems in Change of Managerial Concepts — Follow-up Commentary

Fewer Commands, More Administration

18240038a Moscow SELSKAYA NOV in Russian No 2,
Feb 87 pp 4-6

[Article by V. Pavlov, chairman of the Kolkhoz imeni Chapayev Kolkhoz in Shuchanskiy Rayon, Kurgan Oblast: "Do Not Command — Administer!"]

[Text] Last year, a speech by the director of the Zarya Sovkhoz in Kemerovo Oblast A. Vertikov entitled "Salute for the Director" was published in Issue No. 6 of SELSKAYA NOV. He advocated eliminating the petty support for kolkhozes and sovkhozes and expanding the independence of farm leaders and specialists and raising their responsibility for the final operational results.

In his reply to the Editorial Board, the chairman of RSFSR Gosagroprom [state agro-industrial committee] V.I. Naumov wrote that "the questions raised by the director of the Zarya Sovkhoz A. Vertikov had been discussed at a meeting of the agro-industrial committee for Kemerovo Oblast. The facts set forth in the article partially took place. Work is presently being carried out directed towards providing the kolkhozes and sovkhozes with greater independence in such matters as planning the areas under crops, the number of livestock, the production of agricultural products and capital construction. Greater control is being exercised over the implementation of plans as developed."

As reported by Comrade Naumov during the All-Russian Conference on Economic Matters in Lipetsk (31 September to 1 October 1986), it was pointed out in a strong manner to the agricultural committees of krais, oblasts and ASSR's that the measures called for in the decree of the CPSU Central Committee and the USSR Council of Ministers entitled "Further Improvements in the Economic Mechanism for Management in the Country's Agro-industrial Complex" are still being carried out in a very weak manner. The specialists and leading workers attached to agro-industrial committees, RAPO's [rayon agro-industrial associations], kolkhozes and sovkhozes must study this decree thoroughly and ensure its mandatory use in practical work. This requirement is both sound and timely. This is particularly true in view of the fact that obsolete work methods and attempts to command the kolkhozes and sovkhozes in matters falling within the competence of the farm leaders and specialists and labor collectives have by no means been eliminated in many organs of agroprom administration. This is borne out by the replies received by the Editorial Board in response to the article by A. Vertikov. We are publishing two of these replies.

Several years ago, when restructuring of the administration of agricultural production had only just commenced and the initial RAPO's were created, it seemed to us that it was merely necessary to declare a single "roof" for all agroprom partners, to assign certain administrative functions to the rayon agro-industrial associations, to listen to the reports delivered before their councils by the leaders of service enterprises such as Selkhoztekhnik, agricultural chemists, builders and transport workers, to recognize responsibility for the status of affairs at the kolkhozes and sovkhozes and to radically restructure our own work. Unfortunately, it must be admitted that these hopes were by no means fully justified.

During the June (1986) Plenum of the CPSU Central Committee, M.S. Gorbachev provided a thorough and critical analysis of the results of restructuring and he noted that in real life, in addition to the development of positive trends, restraining factors are also at work. At times they are objective in nature and yet more often than not they are the result of inertia, chronic habits and faulty psychology.

I worked for roughly 15 years as chairman of a kolkhoz and formerly I served as secretary of a sovkhoz party committee and as an agronomist — my entire life has been associated with the rural areas. At one time, I assumed that farm management required one to "follow a certain policy," issue instructions and check to see that they are carried out, without devoting any special thought to the fact that it was comparatively recently that the human factor was cited in party documents. The activation of the human factor is by no means limited to improving the socio-domestic conditions of agricultural workers. I would rank the development of self-government in first place.

Regardless of the degree to which we imbue an agricultural machine worker with concern for the land and for becoming its true master, our words will be of little assistance to the actual problem if they are not reinforced by actions and specific economic measures.

The turning point for us began when the collective contract was introduced into operations. Four years ago the first non-schedule team at the kolkhoz was headed by an experienced machine operator, A.I. Nicheukhin, and subsequently a second brigade converted over to the contractual method. In 1985 the non-schedule teams obtained in excess of 5 quintals of grain more than those which operated on an individual basis. In the spring of 1986, all field crop husbandry operations at the kolkhoz were converted over to a contractual basis. This required radical changes in the farm's administrative style and methods. Operational management forfeited its former importance. The contractual collectives, instead of commands, require sensible technological charts, sound cost accounting tasks, clever advice and fairly good (if not of the very best quality) logistical support.

But we are expecting such an approach to be employed for the farms by the rayon management. Unfortunately, we have yet to notice any changes for the better. We are being held back by old habits and strong inertia. The presentation of independence to the farms is quite often only verbal in nature.

For four five-year plans in a row, our kolkhoz, by no means one of the rayon's backward farms, failed to fulfill its plans for grain sales to the state and during this period I was not held accountable even on one occasion. Yes and how could I be held accountable after being converted from a leader into a dispatcher? At the present time, they are still dictating to me: the number of livestock to be maintained, the structure of the areas under crops and the sowing schedules. You do not believe me? I can confirm my words with documents.

A telephone message from the rayon on 22 April 1986: "The sowing of early grain crops and annual grasses must be completed prior to 5 May. Commence planting your potatoes."

A directive instruction dated 16 May: "Owing to the weather conditions, around-the-clock operation of the sowing units must be organized. Complete the sowing of wheat prior to 24 May."

One day later, still another command: "Your farm is being assigned a task calling for wheat to be sown on 250 hectares and silage crops on 110 hectares each day." And so on and so forth.

Thus, as you can see, the functions of the kolkhoz chairman have been cut back sharply. There is nothing for him to become concerned over — everything has been thought out and planned for at a higher level. I fear that in the face of such administrative support I will soon be left with no work whatsoever to perform — the position of farm leader will soon disappear.

It would appear that our only task is that of supplying the brigades with the commands received from the higher level. However, is this in the best interests of the work?

Operational management is still somewhat justified in the case of individual piece-work, but it is not in the best interests of contractual work. Thus many telephone messages must be concealed from human eyes. And if a kolkhoz administration, prompted by commands from a rayon, began assigning orders to contractual collectives out of habit, the latter would in all probability request to be returned to work orders so as to be able to complete work on a greater number of hectares.

The need for expanding rights and economic independence to the maximum possible degree and for raising the responsibility of enterprises and associations for their operational results was expressed in a very definite manner, and not for the first time, during the June (1986) Plenum of the CPSU Central Committee. But we

leaders and specialists can still only dream about true independence. Nor do we have genuine responsibility, since we have been deprived of the right of selection.

The impression is created that my words conceal a desire to reduce the plans and to work in the absence of tension. No, the production and sale of products to the state must be increased. In discussing the right of selection, I have in mind only the means for implementing planned tasks. Why should we be told how many "heads and tails" are to be maintained and how many hectares are to be sown in grain crops and how many in forage crops? Is there anybody else in the oblast or rayon who possesses a better knowledge of the local conditions and specific potential of the farms? If there is one of us, a farm leader, who truly is not deserving of trust, then the question might well be asked as to why was he placed in a leading position?

In early 1986, we decided to reduce our grain sowings by 200 hectares and to increase our forage crop area by the same figure. It appeared that the rayon was in agreement with us. But later, towards the end of May, when the optimum sowing periods were at hand, a command was received: "Increase your wheat areas!"

It is permissible to ask: for what purpose? What is the basis for this requirement? Indeed, in addition to other factors, this would cause a disruption in the crop rotation plans, it would require changes in the technological charts and the personnel responsible for carrying out a production program that has already been approved would become unnerved and confused. Our reasonable question was answered as follows: "The task was assigned by the oblagroprom [oblast agro-industrial committee]." And that was it — not other explanations as to the economic feasibility were given.

Thus a leader is confronted with a dilemma: either work in a creative manner and bear complete responsibility for the actions undertaken, while risking displeasure and even the handing down of punitive measures by the authorities, or demonstrate "executive ability" and issue no reply but simply carry out the tasks.

Nor can we carry out the work that we consider necessary in animal husbandry. On our farm there are 1,560 cows. We produce almost twice as much milk per 100 hectares of agricultural land than the average for the rayon, but there are many low productivity animals on the farms and there is a shortage of experienced milkmaids. There are no grazing areas for the livestock and no feed for them in the summer. In 1981 the number of dairy cows increased by 150 head and the productivity of each cow declined from 2,378 to 2,152 kilograms. The statement was made that if 200 animals were culled out the gross production of milk would not only not decline but in fact it would increase. However, there are those who require not the amount of output but the notorious "heads and tails" for their records.

In limiting the freedom of action of the kolkhoz chairmen and sovkhoz directors, the rayon organizations in this manner paralyze their initiative and remove from them responsibility for the final managerial results. In the process, completely far-fetched arguments are advanced. It is maintained that if we reduce the number of cows, there will be fewer young bulls available for a neighboring farm that specializes in beef production. But there the problems are roughly the same as our own: the chief reserve — growth not in the number of animals but rather in weight increases, which continue to remain extremely low.

Among doctors there is a very good although unwritten rule which holds that "no harm should be inflicted." This rule should be adopted by the organs which administer agricultural production. At times, poorly thought out and routine instructions lead farm leaders down a blind alley and a mass of paperwork distracts them from their practical work. It is my impression that following a considerable expansion in the tables of organization for the RAPO and the oblagroprom, their specialists did not know what they were supposed to do and so they increased their paperwork and thus intensified the administrative pressure. Personally, I hold no objection against our rayon specialists. For the most part, they are knowledgeable workers who possess a fair knowledge of agrotechnical matters, zootechnics and engineering work and who visit the farms frequently. But they continue to perform on the basis of a simple traditional method: I arrived, examined the situation, uncovered shortcomings, issued an instruction calling for them to be corrected and I left to go and write up my summary. This is not work but merely the semblance of work embodied in reports.

We can take note of our own shortcomings and areas of neglect. We bring these shortcomings to the attention of the inspectors ourselves. And does it make sense for an economic executive to poke his nose once again into the affair? It is another matter to investigate thoroughly the sources of numerous areas of unfinished work and to furnish skilled recommendations for improving labor organization and administration. But how can a RAPO specialist investigate the details of a problem if he arrives at a farm before dinner and must still visit another kolkhoz or sovkhoz during the second half of the day? He will succeed in gathering only a limited number of facts and not enough for thorough analysis. Such trips will turn out to be practically useless.

For the sake of fairness, I wish to cite an example which is deserving of approval and dissemination. When we introduced the collective contract, we were often visited by workers from the Economics Department of the RAPO. They did not furnish any overall instructions, but after studying the farm's conditions and having analyzed our extremely humble experience, they recommended several variants of a contract for the machine operators. The latter then selected the one which they felt was most acceptable. In the first brigade, the decision

was made to create two non-schedule subunits — for the production of grain and feed. In the second and third brigades, all field crop husbandry was "covered" by one contract. In one subunit an advance and additional payments for output are computed proportional to the time worked in hours and in the other three — based upon appearances at work.

We are grateful to the economic service of the RAPO and to its leader I.A. NECHAYE for the specific business-like assistance they provided. Unfortunately, I am unable to recall another similar example regardless of how hard I try.

In January of last year, logistical support departments were created in the oblast agro-industrial committee and during the middle of the year — in the rayon agro-industrial associations. There is no end of work for them. For example, let us take the so-called economic method of construction.

The director of the Zarya Sovkhoz n Kemerovo Oblast, A. Vertikov, in his speech entitled "Salute for the Director," wrote that their plan for capital construction is being supported fully in terms of materials and is being supplied with these materials only for above-plan installations. In our case, the economic method at best is supplying only 20-30 percent of the construction materials needed. No more is available and we are advised to display enterprise.

A wave of legal processes spread throughout the oblast in 1985 and 1986 and some of the more "enterprising" farm leaders were sent to areas that were not quite so remote. It is hoped that the new RAPO departments will preclude the need for our having to violate the law. Obviously, the problem does not concern a shortage of construction materials (although they must still be obtained by devious means), but rather it has to do with planning and distribution.

Despite the reorganization, no special changes for the better have been noted in the servicing of machines or in the repair of tractors and combines.

It is believed that the situation will change if the logistical supply departments are able to take over the distribution of spare parts thus depriving the repair enterprises of a monopoly in handling them. Our chief partner will then be forced to give serious thought to the quality of the services being provided. If he continues to perform poorly just as in the past, then his services can be eliminated, particularly in view of the fact that the farms are becoming increasingly more able to repair their own machines.

Many complications exist in the relationships of farms with the agrochemical service and land reclamation specialists. The organs of agroprom administration must devote priority attention to improving relationships among the APK partners.

Certainly, this is considerably more difficult than composing telephone messages which require the sowing work, the mowing of grasses or the harvesting of grain crops to be carried out during certain periods. But to what extent should administrative commands be replaced or the solving of important problems be viewed as a matter of secondary concern?

Specific Problems Addressed

18240038a Moscow SELSKAYA NOV in Russian No.2, Feb 87 p 6

[Article by Yu. Korolev, chairman of the Krasnaya Zvezda Kolkhoz: How Long Should the Salute Be Continued?"]

[Text] I would like to begin where the article by A. Vertikov left off: "It is hoped that the time will soon come when the decrees concerning the principles of agricultural planning and the right of economic leaders at their own discretion to organize production, display initiative and not show fear if it is not in synchrony with published plans and directive telephone messages are carried out in a serious manner."

But when will these hopes be realized? If a judgment is made based upon how the planning was started during this current five-year plan, then it would appear that the wait will be considerable. The movement towards imposing administrative pressure on a farm is quite strong.

It is said that a wise individual learns from the mistakes of others, while a clever individual learns from his own mistakes. We are continuing to multiply our mistakes.

During the past five-year plan, some economic and production indicators at our farm turned out to be unsatisfactory. Although we are guilty with respect to some of these failures, nevertheless a good portion of them were caused by wilful planning.

For example, the kolkhoz does not have storehouses for seed potatoes. Thus, initially we did not plan their production. Subsequently however, we gave additional thought to the matter and agreed to sell 480 tons annually. Thus in the spring we had to send messengers to all parts of the oblast with hands outstretched: to ask if any seed remained for our use. However, the seed was not of good quality. Each year we lost 75,000-80,000 rubles. And in the autumn another problem arose: to whom could we sell the potatoes? Finally, after many trying experiences, we were forced to give it away for a song to a biochemical plant for industrial processing. It should come as no surprise to learn that an average of only 68 quintals was obtained per hectare, each of which cost 16 rubles. Throughout all of these years, we asked that potato storehouses be included in the capital construction plan. Our pleas were rejected and it was not until 1985 that such construction was finally authorized.

But let us see what is happening with the grain crops. A scientifically sound farming system exists in the Central Urals zone. The scientists recommend that 55-60 percent of the grain fields be included in the arable land structure. We were forced to increase this figure to 68 percent, that is, we were asked to achieve and to continue to achieve an increase in the production of grain forage using the extensive method, through an increase in the areas. And what happened? On some fields we were forced to grow grain continually for 8-10 years in a row. As a result, the fields became overrun with weeds, the crop rotation plan was disrupted, there was an absence of the predecessor crop arrangements needed and the grain yields declined. During the past five-year plan, it amounted to only 14.5 quintals per hectare.

Perennial leguminous grasses and row crops serve as excellent predecessor crop arrangements. They provide assistance not only in increasing the grain yields but also in strengthening the feed base. A neighboring farm is growing leguminous grasses on 1,300 hectares of its 5,000 hectares of arable land, while on our farm, which has 1,000 more hectares, the amount of leguminous grass under cultivation is less by a factor of 1.5. We are not permitted to grow any more than this amount. They maintain that to do so would bring about a reduction in the grain crop sowings. Our farm has no natural feed lands. We attempted to prove that a slight reduction in the grain crop areas and an increase in the areas used for forage crops would raise the productivity of the arable land considerably and strengthen the feed base, without which it is impossible to develop animal husbandry operations. Invariably however, we receive the same reply, one which tends to eliminate any desire to work or to find reserves. We are particularly disturbed over the fact that even following publication of the decree of the CPSU Central Committee and the USSR Council of Ministers entitled "Further Improvements in the Economic Mechanism for Management in the Country's Agro-industrial Complex," our computations and recommendations are categorically being rejected.

The kolkhoz is confronted by serious tasks. It must increase sharply its production of animal husbandry products, particularly milk, by 40 percent. By the end of the five-year plan, we plan to raise the annual milk yield per forage cow to 4,000 kilograms. Our specialists possess the ability and experience needed for accomplishing this goal.

It is only hoped that genuine restructuring will quickly have an effect on the organs of agroprom [agro-industrial committee] administration and release us from petty support and administrative pressure.

Corrective Measures Undertaken

18240038a Moscow SELSKAYA NOV in Russian No 12, Dec 87 p 7

[Unsigned article: "Do Not Command — Administer," "How Long Should the Salute Be Continued?"]

[Text] The articles by the chairman of the Kolkhoz imeni Chapayev in Kurgan Oblast V. Pavlov and the chairman of the Krasnaya Zvezda Kolkhoz in Sverdlovsk Oblast Yu. Korolev appeared in Issue No. 2 of the journal for 1987 under the titles: "Do Not Command — Administer" and "How Long Should the Salute Be Continued?"

In his reply to the Editorial Board, member of the board of RSFSR Gosagroprom V.Ya. Baturin admits that the conversion over from the administrative style of agricultural management that has existed for years to the economic methods of administration is being carried out very slowly and that unfortunately we are still encountering incidents of petty support with respect to farm leaders.

RSFSR Gosagroprom is undertaking measures aimed at correcting these shortcomings. A majority of the RAPO [rayon agro-industrial associations] chairmen and their deputies have completed a training course at the republic's Higher School for APK [agro-industrial complex] administration. In the explanatory documents sent out to the various areas, emphasis was placed upon the fact that a RAPO staff must be an executive organ of an association's council. The committee summarizes the positive practice of individual agro-industrial associations and publicizes the leading experience.

Fundamental changes will ensure the extensive introduction of economic methods for management and administration and the conversion over to complete cost accounting, self-financing and the collective contract in all areas. The work being carried out by RSFSR Gosagroprom is directed towards achieving these goals.

As reported by the 1st deputy chairman of the agro-industrial committee for Kurgan Oblast L.S. Kulikov, the article entitled "Do Not Command — Administer" was discussed during a conference conducted by the oblast agro-industrial committee. The criticism was adjudged to be correct.

An organizational restructuring of the rayon organs of APK administration was carried out throughout the oblast. The RAPO staffs were reinforced with skilled personnel. Nevertheless, a number of associations have still not rejected the practice of administration, the issuing of commands and the subordination of farm leaders and specialists. Decision have been handed down calling for an expansion in the rights of kolkhozes, sovkhoses and other enterprises of the oblast's agro-industrial complex and the labor collectives and all administrative elements are displaying greater economic interest and responsibility with regard to the intensification of production operations. Commencing in 1987, the farms are being supplied with firm procurement plans for agricultural products and limits for capital investments and deliveries of the principal types of material

resources, in accordance with the normative method for planning and taking into account a qualitative evaluation of the land, production potential and labor and other resources.

The response to the publications in the journal by the deputy chairman of the agro-industrial committee for Sverdlovsk Oblast E.T. Yasinovskiy was somewhat different. He does not believe that administrative pressure was imposed upon the leadership of the Krasnaya Zvezda Kolkhoz. After computing the planning indicators for the kolkhoz, Comrade Yasinovskiy drew the conclusion that in recent years the farm did not change its direction towards an increase and thus he believes that this underscores its freedom of economic maneuvering. At the very least, this is strange logic. Moreover, another aspect was discussed in the article: the bureaucratic principles of management and the flow of directive telephone messages and papers being received at the kolkhoz.

We contacted the chairman of the kolkhoz Yu. Korolev over the telephone and he confirmed the following: just as in the past, the farm is forbidden, by means of wilful decisions, to introduce even small changes into the structure for the areas under crops or to introduce long-range crop rotation plans.

It is believed that the Sverdlovsk Oblagroprom [oblast agro-industrial committee] does not wish to listen to criticism.

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Planning Board Head Calls for Decisive Restructuring

18240027a Moscow SELSKOYE KHOZYAYSTVO ROSSII in Russian No 10, Oct 87 pp 2-5

[Article by G. Kulik, chief of Glavplan of RSFSR Gosagroprom: "To Restructure in a More Decisive Manner"]

[Text] Soon it will be 2 years that the agro-industrial complex of Russia has been operating under the new conditions — conditions of unified planning, financing and administration. The principles of the new economic mechanism for management continue to be introduced into operations on an increasing scale.

Measures aimed at improving the administration of the national economy, developed during the June (1987) Plenum of the CPSU Central Committee, and the new USSR Law Governing a State Enterprise (association) are transforming the idea of radical changes into a practical reality. They are aimed at uncovering more completely the potential of socialism, attaching a highly dynamic nature, flexibility and adaptability to scientific-technical progress to socialism, implementing the final

conversion over from mainly administrative methods of control to mainly economic ones at all levels and eliminating decisively all factors which tend to slow down our society's forward progress or inhibit an acceleration in the country's socio-economic development. The restructuring of administration is aimed at consistently implementing Lenin's principle of democratic centralism and creating organizational and economic conditions which will make it possible for a labor collective and each worker to become true masters in carrying out their production operations and display genuine concern for multiplying the national wealth.

During the Plenum, it was emphasized that one priority task is that of ensuring that the country is supplied with food goods. As a result of changes in the economic conditions and managerial conditions and the introduction of cost accounting and the brigade contract, all of the objective prerequisites have been created for achieving a surge in increasing the production of agricultural products and strong changes during the next few years in the status of affairs in the food supply system.

We attach considerable importance today to examining the path already traveled and to evaluating in a sober manner the initial steps in the restructuring process — without negating the results already achieved, closing our eyes to the shortcomings and failures, to the wasting of time and the repetition of old mistakes or to all of the negative aspects that were typical of the last one and a half years, including the first half of this current year. An analysis of the results of financial-economic operations during the past 6 months for the agro-industrial complex of the Russian Federation as a whole provides rich food for thought.

Let us take the agrarian sector. Despite the fact that gross agricultural output for the RSFSR as a whole increased roughly by 1.3 percent compared to the level for the previous year, we are nevertheless confronted by a tense situation and one which leaves no room for complacency.

Unusual weather conditions and a prolonged spring period complicated the carrying out of the spring field operations and confronted the republic's agricultural workers with complicated tasks. It became necessary to resow an area of 5.5 million hectares of winter crops that had perished, 4.3 million hectares of which had been sown in grain crops. Nor was success achieved in sowing, during the optimum periods, the pulse, millet, buckwheat, sugar beets and sunflowers for grain crops that were called for in the plan for the introduction of intensive technologies. On the whole, the sowing plan for grain crops was fulfilled by 99.3 percent. The amount of potatoes sown was less than the plan and level for the previous year and the plan for the sowing of spinning flax was not fulfilled.

But this then exhausts the list of objective factors, the effect of which on the managerial results is not dependent upon the determination or efforts of workers attached to the APK [agro-industrial complex] or its allied branches. As the saying goes, everything else is in our hands. What then are the results of the 6 month period if we evaluate them precisely from this standpoint.

For example, let us take farming. During this present summer, the watering of agricultural crops on irrigated lands was organized considerably worse than last year. Prior to the end of June, only 3,504,000 hectares or 71 percent of the crops had been watered one time and this figure was 370,000 hectares less than that for 1986. During this same period of time, only 3,359,000 hectares were watered a second time, compared to 5,366,000 during the previous year. The watering of corn for grain and also haying and pasture lands — 62 and 55 percent of the sown areas — was especially unsatisfactory. Is it possible to expect decent results to ensue from such faulty work on the part of partners?

The results realized from carrying out the 6 month plan for land reclamation construction, the rates for which declined noticeably, are arousing serious concern. This year's work volumes amounted to from 27 to 88 percent of the level for the first half of last year. The proportion of the capabilities introduced into operations during the 6 month period does not exceed 25-32 percent of the annual volume and with regard to improving the land reclamation situation, the thorough levelling of land for existing irrigation, the construction of main water supply lines of an agricultural nature and land improvement work — 20 percent.

The aquicultural organizations of Glavnechernozemvodstroy have fallen seriously behind in many autonomous republics and in oblasts of the Russian non-chernozem zone and in the final analysis this can lead to a considerable reduction in the quality of the work being carried out on land reclamation projects.

Unfortunately, even those whose economic results are for all practical purposes not dependent upon the weather conditions have also fallen behind. Thus, prior to the end of June the quantity of early and hothouse-hotbed vegetables sold this year was 457,200 tons or 16 percent less than the figures for last year. The quantities of vegetables sold from farms in the Chuvash ASSR and in Volgograd, Voronezh and Ryazan oblasts were considerably less than the 1986 level — by an average of roughly one third. A decline was also noted in the delivery volumes for vegetables, fruit and berries in Moscow, Leningrad and other industrial centers.

Distinct from the "green department," the status of affairs in animal husbandry appears to be very favorable. The 6 month plan for the sale of livestock and poultry in the Russian Federation was on the whole fulfilled by 116 percent, milk — by 107 and eggs — by 110 percent.

Considerable importance is being attached to the fact that the level for last year was surpassed noticeably in terms of all of these indicators. Hundreds of thousands of tons of meat, milk and millions of eggs were sold over and above the task for the state.

However, a more thorough analysis of the intense processes taking place in this branch testifies to the fact that a rather alarming situation is developing here.

Last year, in behalf of the kolkhoz and sovkhoz plans, the organizations of consumer cooperation purchased 286,000 tons of livestock and poultry in live weight from the population. This year the plans call for the purchase of 423,000 tons, that is, more by a factor of almost 1.5. In using this source for augmenting the food supplies, many are failing to display concern for developing the private plots of the rural population. As a result, during the first two quarters of this current year, the sale of young pigs to the population declined by 120,000 head compared to the same period for 1986.

Compared to Yaroslavl, Belgorod, Kursk, Lipetsk, Volgograd, Kuybyshev, Saratov, Ulyanovsk and Kalinin-grad oblasts, where 25-30 head of young pigs were sold during the first 6 months per 100 rural families, in Vladimir, Kostroma, Ryazan, Smolensk, Perm, Chelyabinsk, Novosibirsk, Tyumen and Irkutsk oblasts and in a number of other regions — less than 15 head.

The population's requirements for young poultry stock are not being satisfied in Volgograd, Novgorod, Bryansk, Kalinin, Kostroma, Gorkiy, Perm, Sverdlovsk and a number of other oblasts. Owing to the fact that in accordance with the new rules the farms themselves determine the volumes to be purchased from the population, a thought automatically arises with regard to their limited potential for increasing the production and procurements of meat using their own resources.

But is this so? Would it not be more logical to search for the reason why many farms which have not displayed serious concern for converting over from extensive management of the animal husbandry branch to intensive management and which have not concentrated their attention on the development of feed production are using the independence extended to them in planning matters only for the purpose, as the saying goes, of reducing the number of animals on a legal basis? Surely it is clear that such a one-sided approach to solving this complex problem is fraught with problems and failures in increasing the production volumes. It bears mentioning that they did not force themselves to wait. In particular, during this season and compared to the previous one a sharp reduction took place in the hay procurement rates. Thus, at the beginning of June the natural and sown grasses were cut down on 9,327,000 hectares — more than 2 million hectares less than by this same date in 1986. Such a drop in the rates inevitably has an effect on both the volumes and quality of the winter supplies.

At the same time, owing to poor organization in converting the livestock over to pasture maintenance, a sharp decrease took place in the summer productivity of the animals in many areas. Thus, during the second half of June, the milk procurement rates in 42 oblasts, krais and autonomous republics turned out to be lower than the level for last year. This decline was especially noticeable in Vologda, Kostroma, Yaroslavl, Kurgansk, Perm, Sverdlovsk, Chelyabinsk and Tyumen oblasts and in the Bashkir ASSR.

Even more alarming is the fact that in addition to the drop in productivity, the number of cows is also declining. By 1 June and compared to last year, it had declined at 57 agroproms (agro-industrial committees) and on the whole for the RSFSR it amounted to tens of thousands of cows. For this reason alone, the farms failed to obtain more than 300,000 tons of milk — a volume equal to the annual production of milk in Kamchatka and Magadan oblasts and in the Kalmyk and Tuva ASSR's taken together.

The delivery weights for cattle and hogs have declined in many oblasts, krais and ASSR's. In this regard, the plans for meat and milk deliveries to the union and republic funds are not being fulfilled in a number of areas.

During 6 months of this year and compared to the same period for last year, the purchases of livestock and poultry declined at four agroproms and during the last 2 months of June — at 20. The reduction in the rates for meat sales to the state was particularly noticeable in Smolensk, Tambov, Vologda, Saratov and Rostov oblasts and also on farms in the Volga, north Caucasus and east Siberian regions.

There is scarce reason for expecting the meat resources to increase considerably during the second 6 month period. This applies in particular to the kolkhozes and sovkhozes: indeed, during the first 6 months of 1987 and compared to the same period for 1986, the number of beef cattle in the public sector declined by 60,000 head and hogs — by 400,000 head. Livestock losses have increased and fewer calves and suckling pigs are being obtained.

Beyond any doubt, all of these factors are affecting this year's results. But not only these results. The results of mistakes committed during the past 6 months period will manifest themselves in 1988.

It goes without saying that the reduction in the number of animals has been a necessary measure for many farms. But the severe winter was not the specific cause, but rather mismanagement and insufficient concern for the problems associated with organizing the preparations for winter: the cold conditions uncovered serious areas of neglect in preparing the farms, feed preparation shops and the heating, water and electric power supply sources for operations under conditions involving prolonged cold weather.

The new winter is not far distant. But there is still time for carrying out inspections and displaying concern for the repair of facilities and the reserve sources for heating and electric power and for implementing other necessary measures.

The feed preparation installations require special concern. Of 44,000 feed preparation shops and feed kitchens in the Russian Federation, at least 15,000 of them require partial re-equipping and the installation of additional equipment or important repair work and adjustments. Fixed attention must be given to everything associated with the placing in operation of new feed preparation shops. This applies first of all to the agroproms in Kostroma, Ivanovo, Yaroslavl, Kirov, Perm, Kemerovo, Tyumen and a number of other oblasts, where this past spring practically one out of every three farms lacked a mechanized feed preparation subunit.

And how is work proceeding in the industry? From an external standpoint, it would appear to be good. The 6 month plan for overall sales volume was fulfilled by 103.7 percent. Roughly 755 million rubles worth of products were sold over and above the task. The level for 6 months of 1986 was exceeded by 3.7 percent and exclusively by means of growth in labor productivity. Increases in output were achieved for a majority of the more important food products.

However, we cannot help but be alarmed over the extremely noticeable growth in the number of complaints being received from the controlling organs concerning the quality of the products. The work being carried out at enterprises of the meat industry in Voronezh, Krasnodar, Novosibirsk, Kalinin and some other agroproms is especially poor in this regard. For example, the level of rejects of sausage products alone at enterprises in Gorkiy Oblast has increased by more than twofold compared to last year and for the branch as a whole the reject level for sausage products is 2.8 percent — this is one half percent more than the figure for 1986. At the Ramon Poultry Factory in Voronezh Oblast, more than 10 percent of the products inspected were rejected and at a factory in Tuymazy in the Bashkir ASSR — 26.6 percent of the poultry meat.

From 27 to 31 percent of the whole milk products inspected in Vologda, Kursk and Lipetsk oblasts were rejected. A considerable increase was noted in this indicator at agroproms in Tula and Kaluga oblasts and in the Komi ASSR. Serious problems in the production of cheeses are continuing in the Kuybyshev, Orel and Ryazan APK's and at enterprises in Kostroma Oblast, the cheeses of which were exceptionally popular at one time. Today however, up to one half of these products are being rejected. Throughout the meat and dairy industry on the whole, the production of marketable products per ton of raw material has declined. During the 6 month period, the output of products from 1 ton of livestock meat declined by 39 rubles worth compared to last year and from a ton of milk — by 80 kopecks.

What occasioned these losses? Here is one of the sources. More than one half of the agro-industrial committees which operated on the basis of seniority engaged in an above-normal return of milk and buttermilk. For the RSFSR as a whole and compared to the established norms, 230,000 tons of separated milk were returned to the farms. It was for this reason that enterprises of the Altay, Orenburg and a number of other APK's did not fulfill their plans for the production of non-fat dairy products.

Substantial shortcomings also exist in other branches of the processing sector of the APK. Thus, the completely unjustified delay that has taken place in the modernization of the mixing and sorting departments at the Ryazan Tea-Weighing Factory and at the Serpukhov Plant for Food Concentrates has resulted in the disruption of the 6 month task for tea production, even though the tea production task was exceeded by 6.7 percent.

The work of the butter and fat branch has deteriorated. Compared to the previous year, the production of vegetable oil declined by 5 percent and once again because of organizational causes. In particular, the production program at enterprises in Kuybyshev Oblast was disrupted as a result of poor equipment operation.

A large portion of the fault for the status of affairs in this branch rests with Glavzemleprom. With each passing year, the oil content of the sunflower seed is declining. In 1986 it was 44.15, compared to a figure of 46.71 for 1981. Can it be that our agronomic services are not taking into account the fact that the chief task of the oil-extraction plants is the production of cake and oil-seed meal?

This is not the first year that discussions have taken place on the need for sharply increasing the production of non-alcoholic beverages. There is a special decree by the party and government in this regard outlining a complex of measures for overcoming drunkenness and alcoholism. A broad program of actions is being carried out in this regard within the RSFSR Gosagrprom [State Agro-industrial Committee] System. Nevertheless, the production of non-alcoholic beverages is fluctuating sharply. Compared to the first quarter when its production amounted to 125.3 percent compared to the same period for last year, during 4 months — 117.7 and during the 6 month period — 112 percent. The trade requirements are not being satisfied and many enterprises are operating only one shift. One bottleneck continues to be the assortment of the goods being produced and also the fact that little use is being made of the local raw materials.

Among the factors which adversely affect the final operational results of the APK, mention must necessarily be made of the poor work of the repair-mechanical enterprises of Glavmekhлектро. They fulfilled their 6 month plan for the sale of products by 97.5 percent and they

failed to supply 21.3 million rubles worth of machine-building products, including a large quantity of tractor trailers, equipment for animal husbandry and feed production, truck-mounted cranes, agricultural machines and other products.

Thus the required level of integration of agriculture with the processing and service branches is still not being achieved during the course of restructuring and we are encountering incidents of departmentalization and seniority to the detriment of the interests of the kolkhozes, sovkhozes and other enterprises.

The production programs using the resources of the logistical supply service are not being carried out fully. At the same time, the kolkhozes, sovkhozes, enterprises of the processing industry and repair subunits are experiencing an acute need for spare parts and materials and considerable above-normal supplies of goods are accumulating at the supply warehouses and bases, the overall value of which on 1 April of this year was 874 million rubles. Glavagrosnab and its local organs are exerting only a weak influence on economies and thrift in the use of resources. Quite often their contribution towards realizing economies is merely that of failing to supply the consumers with the needed goods in the required amounts.

Large-scale shortcomings are being noted in capital construction. At first glance, the picture here is more than favorable. From a formal standpoint, the 6 month plans for capital investments and construction-installation work have been fulfilled or are very close to being fulfilled and in some instances they have even been surpassed to a considerable degree. In particular, the task for the placing in operation of hay storage facilities was fulfilled by 166 percent. But upon closer examination, the questionable nature of this "success" becomes more obvious. In accordance with a long established habit, the builders orient themselves towards a magical date, the 31st of December, and as a result they are under no pressure at the beginning of the year. The 6 month program for placing these hay storage facilities in operation constitutes 40 percent of the annual plan. But, as the saying goes, the dinner spoon is expensive. Who needs hay storage facilities which are turned over for operations during the peak of the indoor maintenance period?

Hay storage facilities are considered to be a fine example in view of their clearly expressed seasonal nature. But in other areas as well, the plan is formulated in accordance with the same principle: on average, not more than one third of the installations and capabilities to be placed in operation are delivered during the first 6 months. Such tasks certainly tend to cool the ardor of a contractor. It is not surprising to learn that the rates of growth in the development of capital investments and construction-installation work declined by 2 percent compared to the same period for last year and that the clearly lowered plan for placing fixed capital in operation was carried out by only 90 percent.

Thus the lessons of the past 6 months provide a good basis for serious and important conclusions. It is especially important to keep them in mind constantly at the present time, as the plans for 1988 are being formulated, in order to avoid repeating mistakes made earlier. In each branch and in each labor collective, the work must be organized so as to take into account not only one's own advantages but also the interests of partners and the achievement in each instance of a maximum national economic result.

Here the new economic mechanism, the economic methods of administration and the progressive forms for organization and wages, the introduction of which into the RSFSR Gosagroprom System is becoming more widespread, must serve as reliable and effective assistants.

Cost accounting, together with the modern forms for contracts, is gradually expanding the sphere of its influence. Thus, in Chelyabinsk Oblast, 326 intensive labor collectives are operating in field crop husbandry at the present time, or more by a factor of almost four than the figure for last year and in animal husbandry — 33 or more by a factor of 1.5. Approximately 60 such collectives have been created in Omsk Oblast and more than 100 in Vologda Oblast.

A high degree of interesting experience in the use of family and individual contracts has been accumulated in Krasnodar Kray, where the farm administration has concluded more than 25,000 contractual agreements of a family and personal basis in field crop husbandry and approximately 13,000 in animal husbandry. Roughly 29,600 hectares of arable land, 28,000 head of cattle for fattening, more than 1,500 young cows, 42,000 hogs, 30,000 sheep and 377,000 head of poultry have been assigned to such collectives and individual workers.

This year the number of family collectives operating on a contractual basis on farms in Saratov Oblast increased by a factor of almost seven. The number of cattle serviced by them increased by a factor of nine and the number of hogs and poultry — by a factor of four.

Agronomists in the Mordovian and Chuvash ASSR's, in Vologda and Kaliningrad oblasts, in Khabarovsk Kray and in a number of other regions possess valuable experience in the use of family contracts.

At the same time, we are still encountering incidents in which, as a result of a formal attitude being employed in carrying out the work, the agricultural crop and livestock productivity in contractual collectives is lower than in the remaining collectives. Some contractual collectives on farms in Tula, Tambov, Kurgan and Chelyabinsk oblasts and in the Buryat ASSR are obtaining lower grain yields and in Pskov, Bryansk, Tambov, Astrakhan, Saratov and Sverdlovsk oblast — lower milk yields.

Typically, such distortions are caused by violations in determining the output production norms and, as a result, the inflating or lowering of collective rates and the unsatisfactory planning for and taking into account of direct expenditures, especially those for feed.

On many farms, the establishment of labor norms has been carried out in a very weak manner and this has led to a distortion in the social role played by material stimulation, with higher payments being made for poor work. Unfortunately, the introduction of a collective contract into operations is often being held up by failure on the part of the farm administration to ensure that the contractual conditions are observed.

Recently cost accounting and the collective contract have gained entry into the industrial branches of the republic's Gosagroprom. The highest level of use of brigade cost accounting has been achieved at enterprises of the meat and dairy industry, where 41.4 and 39.1 percent respectively of the overall number of workers are operating in conjunction with the brigade form of labor organization.

In short, we have at our disposal all of the prerequisites needed for taking a decisive step along the road to restructuring during the new year.

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Improvements in Economic Experiment Management Discussed

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[Text] Since the beginning of 1986, an economic experiment is being carried out on an extensive scale in the Russian Federation in connection with improving the administrative system and the economic mechanism in agro-industrial committees and associations, kolkhozes, sovkhoses and inter-farm enterprises in Stavropol Kray and Vologda Oblast, Kinelskiy Rayon in Kuybyshev Oblast, Pritobolnyy Rayon in Kurgan Oblast, Ordynskiy Rayon in Novosibirsk Oblast, Krivosheinskiy Rayon in Tomsk Oblast, Glazunovskiy Rayon in Orel Oblast and Aleyskiy Rayon in the Altay Kray.

The conditions of the experiment call for solutions to be found for a broad range of problems in the area of planning, financing, price formation, crediting and material stimulation. During the June (1987) Plenum of the CPSU Central Committee, it was noted that "the chief goal to be achieved with the introduction of the

new mechanism is that of granting extensive rights to the enterprises and ensuring their economic independence based upon complete cost accounting."

The new economic mechanism calls for the krays and oblasts to be assigned tasks concerned with the sale of the principal types of products to the union and republic funds, with concern being shown for expanding the rights of local organs in regulating the volumes of products produced and sold, for the purpose of ensuring that the population in the particular territory is supplied with food goods.

It has been established that the procurement plans for agricultural products must be formed directly on the farms. An expansion has taken place in the rights of enterprises as they pertain to the sale of above-plan products, including selection of the sales area and determination of the prices. Incentive prices have been introduced for food goods produced as a result of the processing of fruit, vegetables and other products sold through subordinate agricultural stores. The sale of products produced on private plots is included towards fulfillment of the plan for such sales to the state, with retention of the incentive payments for the kolkhozes and sovkhoses.

These and a number of other features are bringing about substantial changes in the economic mechanism for management and in the interrelationships of enterprise-producers for agricultural products. Their task includes the economic stimulation of kolkhozes, sovkhoses and other agricultural enterprises and organizations of the APK [agro-industrial complex], while taking into account an effective merging of social, collective and personal interests and an increase in the production of agricultural products.

A scientific basis for the economic mechanism for management has been furnished by scientific-research institutes: All-Russian Scientific-Research Institute of Economics, Labor and Administration in Agriculture, All-Russian Scientific-Research Institute of Planning and Norms, Siberian Scientific-Research Institute of Agricultural Economics, Scientific-Research Institute of Economics and Organization of Agricultural Production in the Non-Chernozem of the RSFSR, the Niva Stavropol'ya NPO [scientific production association] and a number of others.

Seminars and conferences are constantly being conducted by the scientific institutes, jointly with the Main Administration for Planning and Socio-Economic Development of the APK of the RSFSR Gosagroprom [state agro-industrial committee] and workers attached to local organs. Work has been completed on the preparation of approximately 20 methodological recommendations and a large number of norms for various aspects of administration and planning and for the economic interrelationships of kolkhozes and sovkhoses with service enterprises and organizations in labor organization and wages.

The conditions required for agricultural enterprises to operate in accordance with the principles of cost accounting, self-support and self-financing have been created based mainly upon new experimental statutes. The mastering of the normative method for planning, the considerable expansion of rights in the organization of production, labor and administration and the coordination of the wages of administrative personnel with the final results of their labor throughout the relatively brief period of the experiment, promoted greater activity by leading agricultural workers and specialists and this in turn ensured improvements in kolkhoz and sovkhoz operations. Increases were noted in the cropping power of the agricultural crops and in the productivity of the livestock and poultry. Compared to 1985, the milk yield in 1986 in Stavropol Kray increased from 2,235 to 2,439 kilograms or by 9.1 percent, in Vologda Oblast — from 2,552 to 2,659 kilograms or by 3.4 percent, in Kinel'skiy Rayon in Kuybyshev Oblast it increased to 3,593 kilograms, in Ordyn'skiy Rayon in Novosibirsk Oblast — to 3,050 kilograms and in Glazunov'skiy Rayon in Orel Oblast — to 2,387 kilograms. Increases were noted in the live weights of livestock on a majority of the farms.

At kolkhozes, sovkhozes and other agricultural enterprises in the kray, oblasts and experimental rayons, gross production increased from 3,415,000,000 to 3,904,000,000 rubles, or by 14.3 percent, in Stavropol Kray — by 18.1 percent, in Aleyskiy Rayon — by 21.1 and in Glazunov'skiy Rayon — by 25.4 percent.

The leaders and specialists of agro-industrial committees, RAPO's (rayon agro-industrial associations) and agricultural enterprises are devoting a great amount of attention to the organization of labor and administration and to the efficient use of economic levers. On a majority of farms, the rates of growth in labor productivity are exceeding the increase in wages. Labor productivity in Glazunov'skiy Rayon exceeds the growth in wages by 7.2 percent, in Ordyn'skiy Rayon — by 16.4 and in Aleyskiy Rayon — by 28.5 percent.

Production profitability increased: its level in Stavropol Kray amounted to 32.4 percent, in Glazunov'skiy Rayon — 37, in Aleyskiy Rayon — 41.9, in Kinel'skiy Rayon — 46.6 and in Ordyn'skiy Rayon — 43 percent. The overall profit per farm amounted to more than 1.2 million rubles.

The production costs for goods produced declined at many kolkhozes and sovkhozes. The expenses for the production of 1 quintal of grain decreased at all of the experimental installations, with the exception of those in Pritobolnyi, Ordyn'skiy and Aleyskiy rayons. The production cost for milk was higher in Volgograd Oblast and in Ordyn'skiy and Aleyskiy rayons and the increase in the live weight of beef cattle was accordingly higher in Volgograd Oblast and in Aleyskiy and Krivosheinskiy rayons.

The financial status of agricultural enterprises improved. The surplus resources in the current account increased by 161.8 million rubles or by 87.5 percent, the indebtedness for short-term loans declined by 95.8 million rubles or by 30.2 percent and the volume of loans decreased by 11.8 percent.

Based upon the results for 1986, the economic stimulation funds increased from 84.6 million to 135.3 million rubles or by 59.9 percent, including the fund for socio-cultural measures from 67 million to 75.4 million rubles or by 12.6 percent.

Improvements are being realized in the economic work being carried out in service and processing enterprises and organizations and in the economic relationships of kolkhozes and sovkhozes with agricultural services. Shortcomings in the work of motor transport enterprises are being eliminated and an expansion is taking place in the centralized shipments of freight.

Thus the implementation of the new conditions for the organizational-economic mechanism for management has made it possible to employ with greater effectiveness the economic laws of socialism, cost accounting and self-support and thus it is serving to strengthen the economies of kolkhozes, sovkhozes and other enterprises of the agro-industrial complex.

At the same time, as proven by operational experience, the greatest results were achieved by those associations, kolkhozes and sovkhozes which achieved an effective combination of economic, organizational-administrative and psychological methods of administration and an all-round approach for solving the problems of production intensification. An analysis of the work of economic organs has shown that under conditions in which favorable economic conditions are being created for the agricultural enterprises, a need exists for improving considerably the organizational forms for administration and for raising the quality of the decisions being handed down. In emphasizing the importance of these forms, V.I. Lenin noted: "In addition to the ability to convince, successful administration also requires an ability to organize in a practical manner" (Complete Works, Vol. 36, p 173).

The economic methods of administration appear as a system of economic measures for defining the economic activities of enterprises and associations. Organizational-administrative methods call for the development of solutions (including for economic problems), a determination of the schedules for use and the work stages, the organization of labor and administration and control over the carrying out of the decisions. Administration is not only a science but also a definite art, with daily organizational activity being a sphere for the use of this art, upon which the operational results of the labor collectives are dependent. Thus it would be wrong to

counter the economic methods with organizational ones and conversely. They are all organically linked to one another and must function only within the system.

The work of the agro-industrial associations, based upon the new economic mechanism for management, reveals that the greatest successes were achieved by those of them which, based upon the scientifically sound use of organizational-administrative methods, achieved a correct definition for the organizational structure of administration and an efficient distribution of functions among the appropriate services and coordination of their activities.

Use of the all-round approach in resolving organizational-economic problems in Kinel'skiy Rayon in Kuybyshev Oblast, jointly with scientists of VNIETUSKh, made it possible to develop a new organizational structure for the administration of RAPO's and also for a number of kolkhozes and sovkhozes. A single engineering service has been created in the rayon and it includes: a Mechanization Department headed by the deputy chairman of the RAPO, a repair enterprise, agropromenergo and agropromtrans. A logistical support service has been singled out from the structure established for the repair-technical enterprises and it has been transformed into the agropromsnab. The functions of each service and worker have been defined more precisely and the organizational forms for coordinating the work of kolkhozes and sovkhozes with the service enterprises and organizations have been defined.

Measures have been undertaken for improving the financial status of the kolkhozes and sovkhozes and the necessary conditions have been created for carrying out expanded reproduction and for introducing cost accounting while taking into account self-support. At agricultural enterprises, all of the subunits, the majority of which have mastered the check form of operational control over expenditures, are operating on an intra-organizational accounting basis.

A great amount of attention is being given to improving the organization of labor and material stimulation with regard to the final results of production. At kolkhozes and sovkhozes throughout the rayon, work is being carried out in an active manner in connection with mastering the collective contract. Wages based upon gross income have proven their worth: in 1986, this system of stimulation was mastered in field crop husbandry and in 1987 the production subunits in animal husbandry are being converted over to it.

Measures are being undertaken aimed at regulating the work of a motor transport enterprise, organizing centralized shipments of freight and improving economic relationships with kolkhozes and sovkhozes. A system of material stimulation has been established which is dependent upon the quality of services being made available for consumers. Measures have been developed and are being implemented for regulating the production

contacts and economic relationships of enterprises in the production, procurements and processing of milk. As a leading enterprise, a dairy plant is assigned responsibility for the procurement and processing of all milk produced in the rayon.

A typical feature of the operational style of the Kinel'skiy RAPO is strengthened economic validity for the decisions handed down on key questions concerned with development of the agro-industrial complex and the participation in their development of specialists attached to kolkhozes, sovkhozes and enterprises and organizations of the APK.

All of this made it possible to improve the economies of the kolkhozes and sovkhozes. The cropping power of the grain crops was raised by 18.4 percent, gross production — by 14 percent and the production costs for the principal types of products were lowered by 6 percent. The growth in labor productivity turned out to be higher by a factor of more than five than the growth in wage expenditures.

Positive changes have been noted in the work being carried out by the kolkhozes and sovkhozes in Stavropol Kray. More than 50 percent of the farms have introduced a departmental structure of administration. In connection with the conversion over to complete cost accounting and self-financing, many collectives have transferred over to wages based upon gross income. The system of material stimulation for RAPO leaders and specialists, which was established so as to be directly dependent upon the volume of output sales, has been changed. Elections of RAPO representatives have been carried out in all rayons in the interest of stimulating the work of agro-industrial associations and expanding the democratic principles employed in administration. Highly respected kolkhoz and sovkhoz leaders possessing great practical operational experience have been elected to these positions. The election of the best farm leaders to serve as RAPO chairmen has been evaluated in a positive manner by the kolkhoz chairmen, sovkhoz directors and agricultural specialists. In their opinion, the work of the councils has been enlivened considerably and discussions are now taking place on problems concerned with the work of all branches of the agro-industrial complex, strengthening economic interrelationships, the further integration of production and the processing of agricultural products and the material stimulation of workers with regard to the final results.

The initial operational results of the RAPO councils, headed by farm leaders, underscore the fact that an expansion of the democratic principles for administering the agro-industrial complex conforms more completely to the modern requirements. This makes it possible to attract to administrative work a broad range of leaders and specialists and to adopt on a collective basis improved solutions for some of the more important problems and to eliminate unjustified complaints made

against the RAPO councils. Within the kray, the production of agricultural products has increased considerably, the economy has become stronger, the total amount of mark-ups added on to the purchase prices in 1986 amounted to 394 million rubles and the overall profit was 664 million rubles. The profitability level increased by more than twofold.

At the same time, the anti-expenditure mechanism is not working in a satisfactory manner in a number of agro-industrial associations and the level for labor organization and administration remains low, as a result of which the profit being obtained on a majority of the farms derives mainly from the experimental mark-ups being added on to the prices for agricultural products. For example, in Pritobolnyi Rayon in Kurgan Oblast, despite the experimental mark-ups added on to the purchase prices in the amount of 9.6 million rubles, the profitability level in 1986 amounted to only 9.5 percent. In its absence, each farm in the rayon would have sustained losses amounting to 283,000 rubles.

In this regard, special importance is attached to searching for the means and methods for improving production organization, administration and planning, the economic mechanism for management and, on this basis, achieving intensification of the branches of the agro-industrial complex and a strengthening of the economy of each enterprise. A thorough study is needed of the work of low profitability and unprofitable farms. Analysis reveals that considerable personnel turnover is one cause of the weak economies of these enterprises. Under the new conditions, many collectives find themselves operating under difficult economic and social conditions. Changes must be introduced into the operational styles and methods of workers at all levels.

Studies carried out by VNIETUSKh and at regional scientific research institutes for the economics and organization of agricultural production have shown that one of the basic principles concerned with the conduct of the experiment is being violated — the recognition not in words but rather in actions of the independent status of kolkhoz and sovkhos leaders and specialists in the solving of production organization problems. Just as in the past, an excessive amount of regulation of the production-financial activities of enterprises is being observed and the initiative of workers in administering their production collectives is not being developed. For example, the Aleyskiy Rayon Executive Committee in the Altay Kray established tasks for each farm in connection with the number of livestock, cow productivity, the output in calves, artificial insemination of cows, hay procurements and a number of other indicators. In Glazunovskiy Rayon in Orel Oblast, the documents for the culling out of cows and calves are approved by specialists attached to the oblast agro-industrial committee. This type of violation is also taking place in Pritobolnyi Rayon in Kurgan Oblast and in a number of other rayons. There is a high level of interchangeability among personnel, particularly in the case of chief specialists and middle echelon leaders.

The data obtained from a questionnaire study conducted by VNIETUSKh at kolkhozes and sovkhozes in Kinelskiy Rayon reveals that the majority of specialists support an expansion in the democratic principles employed in planning. Thus, 96 percent of those interrogated believe that the labor collectives are obligated to participate in the formation and discussion of plans. To the question as to what measures are required for raising the role played by labor collectives in the formation of plans, 45 percent of the specialists replied that the material stimulation must play a greater role and approximately 48 percent believed that they should be granted genuine rights. To the question as to what type of assistance is needed in this regard, 53 percent of the specialists replied that no assistance is required so long as there is no interference "from above." More than 90 percent of those interrogated believe that material incentives should be issued to all categories of workers for having fulfilled their plans.

The principal goal of the experiments consists of restructuring the system for planning, financing and logistical supply. Operational experience under the new conditions reveals that the retention of strong centralization inhibits proportionality in the development of the branches, paralyzes the initiative of the workers and engenders an indifferent attitude towards the development of social production. During the carrying out of the experiment, the administrative approach employed earlier was observed in many regions: in defining the plans, which are based upon the assignment of numerous indicators for the structure of the areas under crops and the numbers of livestock and in achieving a balance in the logistical resources. The status of the repair-technical and service enterprises and organizations remains monopolistic in nature.

An important prerequisite for increasing the production of agricultural products is efficient planning for the sale of these products. The procurement plans must be tense. At the same time, analysis reveals that the farms are not interested in adopting tense plans. This is associated with the action of such stimuli as the establishment of favorable conditions for the sale of above-plan products, the counter sales of means of production for which there is a high demand and depriving leading personnel of bonuses as a result of non-fulfillment of the sales plan for the principal types of products.

First of all, a system of stimuli must be developed which will promote the adoption of tense plans. Secondly, changes must be introduced into the system for evaluating the work of enterprises and stimulating them, with the income obtained, the income which determines the wage fund and profits, being used as the basis for this evaluation. Thirdly, a conversion must be carried out over to the normative-resource approach for planning, with use being made of a more flexible mechanism for economic stimulation. It bears mentioning that this trend is effective only in those instances where it is

economically justified at all levels, both when determining the deliveries of products to the union and republic funds and also when planning procurements at the rayon level and supplying the farms with control figures.

Great practical experience is attached to further strengthening the experiments based upon the use of basically new approaches for planning and organizing production. Here the basis could be a rejection of regulation of the natural indicators for the control figures of a plan by the higher organs, regulation of the production volumes and the sale of agricultural products through economic levers, while making use of prices, norms, payments, state orders, contracts and the introduction of a wage system for all of the principal categories of workers that is based upon gross income.

Under these conditions, it will be experimentally possible to develop a more efficient economic mechanism for effectively combining state interests with the interests of enterprises and labor collectives and ensuring on this basis the development of socialist enterprise and initiative among the workers.

One complicated problem continues to be that of ensuring the efficient use of mark-ups added on to the purchase prices for agricultural products. The mark-ups added on to prices must strengthen the economies of those farms which have poor production conditions and low soil fertility. For example, after obtaining a mark-up, the Moskovskiy Sovkhoz in Stavropol Kray mastered cost accounting, reviewed its program for labor organization and wages and converted over to the departmental structure for administration. During 1986, the sovkhoz sold 670 tons of meat to the state, or almost three times more than the annual average for the previous five-year plan and grain sales increased by several times. Over the course of the 11th Five-Year Plan, the farm's losses amounted to 2 million rubles and in 1986 profit was realized for the first time in the amount of 2.4 million rubles.

At the same time, the mark-ups are not being used correctly on all of the farms. Quite often the wages on low profitability and unprofitable farms are higher than that on leading farms and still they are receiving mark-ups. A restraining factor with regard to raising profitability is that of establishing it for agricultural enterprises with a profitability level of up to 35 percent. Quite often it is economically more advantageous for farms to have a lower profitability, since a mark-up makes it possible to increase considerably the amount of profit involved.

Hence a need arises for further improving price formation. The RAPO's should be authorized to combine the funds (within the limits of the actual payments in recent years) allocated in the form of mark-ups for low profitability and unprofitable farms and for increases in the products sold to the state and to spend them at their discretion for the purpose of stimulating the sale of products and raising the procurement prices for low

profitability products or for issuing special purpose subsidies to economically weak farms for the purpose of developing their logistical base and social infrastructure.

When solving the tasks concerned with converting agricultural enterprises over to complete cost accounting and self-financing, it should be recognized that as a result of their own activities the farms must maintain not only themselves but also carry out their obligations towards the state. A need exists for thoroughly developing the payment norms for the use of productive capital, land and water in connection with the irrigation of agricultural crops. The establishment of economically sound payments constitutes an important stimulus for the efficient use of natural and production resources, since the greater the payment the greater the volume of resources placed in use.

The formation of plans for the production-technical servicing of kolkhozes and sovkhozes should be established based only upon contractual agreements. Wholesale and retail trading in mechanization and automation equipment must be introduced into operations. The enterprises and organizations of agrosnab must be authorized to carry out the sale of surplus equipment based upon commission trade.

A summary of operational experience under the experimental conditions reveals that it is unwise to expect automatic action from the new economic mechanism. Today an additional ruble for an individual in the form of material support is not the most effective stimulus. A need exists for thorough knowledge of the economic, organizational- distributive and psychological methods of administration and for the use of an effective technology form making administrative decisions which will ensure their economic feasibility and an intensification in all spheres of production.

Special importance is being attached to converting animal husbandry over to the intensive path for development and to determining in an accurate manner the proportions between the number of livestock and the feed procurement volumes. In assigning a decisive role to the feed base, V.I. Lenin noted that: "the thorough tending of livestock with inadequate means and insufficient feed, with poor quality animals and inferior facilities and so forth is equivalent to a senseless expenditure of labor" (Complete Works, Vol. 5, p 239).

Meanwhile, over the course of the past three five-year plans the economic organs have been oriented towards increasing the numbers of livestock. In the process, the task was established of raising the feed base to the animal husbandry level and not to balance feed production and animal husbandry in strict proportions. As a result, the livestock on a majority of the experimental farms have been supplied with only 70- 75 percent of the feed required and the production of animal husbandry products has been based upon the use of extensive methods through growth in the number of animals. The result —

an overexpenditure of feed by a factor of 1.3-1.5 per quintal of meat, milk and wool, extremely high rates of growth in labor and resource expenditures and a sharp reduction in the level for the output capital ratio.

A summary of the operational practice of kolkhozes and sovkhozes under the new conditions has shown that at the present time, as a result of limitations in the feed areas and in the resources allocated in many instances, a question has arisen in connection with reducing the number of animals, eliminating the disproportions between feed production and animal husbandry and, on this basis, increasing considerably the production of animal husbandry products while reducing production costs and intensifying this branch to the maximum possible degree.

In order to raise the planned production of milk in Stavropol Kray to 880,000 tons, given the productivity established over a period of 15 years, it will be necessary to increase the number of cows to 54,000 head or by 15 percent and this will require the allocation of 108 million rubles worth of capital investments for the construction of animal husbandry facilities, 58 million rubles for maintaining the livestock, 210 million feed units and the availability on the farms of 22,200 milkmaids.

With the conversion over to the experimental managerial conditions at kolkhozes and sovkhozes throughout the kray, the number of cows decreased from 489,000 in 1986 to 462,000 in 1985 or by 5.6 percent. At the same time, this made it possible, through improvements in livestock feeding and maintenance and introduction of the collective contract, to raise the milk yield per cow by 5.6 percent, to increase milk production by 4.9 percent, to lower production costs by 4.3 percent and to raise labor productivity by 6.2 percent.

Under the conditions in which the experiments are carried out, an increase takes place in the role played by the agricultural specialists, not only as technologists but also as production organizers. Special importance is attached to mastering the progressive forms for labor organization and wages and to the introduction of the collective contract.

Improvements in the economic managerial methods raise the need for changing the functions of the leading organs in all elements and improving the operational style and efficient use of administrative methods. Importance is also attached to changing the character of the relationships of the administrative organs, to eliminating petty support and to making it possible for the farm leaders and specialists to determine the production technology and organization to be employed.

The effective carrying out of economic experiments, the disclosure of imperfections in administration and the development of economically sound recommendations

will create the conditions required for extensive use of accumulated experience in the work of economic organs aimed at restructuring the country's agro-industrial complex.

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Calculating Wholesale Price Indexes for Suort Services

18240034a Moscow *EKONOMIKA SELSKOGO KHOZYAYSTVA* in Russian No 10, Oct 87 pp 45-51

[Article by R. Gumerov, Doctor of Economic Sciences and Ye. Vlasova, senior scientific worker at the Scientific Research Institute of Prices: "On Prices for Means of Production and Services for Agriculture"]

[Text] During the June (1987) Plenum of the CPSU Central Committee, it was stated that we possess the potential required for bringing about strong improvements in the food supply situation over the next few years.

In order to solve these complicated tasks, it will be necessary to raise the efficiency of all branches of the agro-industrial complex and strengthening their logistical base. Moreover, during the 12th Five-Year Plan, special emphasis is being placed upon increased intensification, carrying out improvements in planning and administration, raising the return from invested resources, improving the proportions between branches of the APK [agro-industrial complex], strengthening the economic methods of management, increasing the use of cost accounting in every possible way, developing and strengthening the principles of self-financing and raising material interest and responsibility for the final results. The implementation of such radical changes in national economic administration is called for in the "Principal Statutes for the Radical Restructuring of Economic Administration," developed during the June (1987) Plenum of the CPSU Central Committee.

All of this applies fully to the agro-industrial complex in general and to agriculture in particular, since unfavorable changes have taken place in this sector of the economy in the recent past and an entire series of negative aspects has been singled out: production expenditures have increased at considerable rates and the return from invested potential is still inadequate; the rates of growth in wages have exceeded the rates of growth in labor productivity, efficient specialization is lacking, shortcomings are being noted in mechanization and industrialization and so forth. All of this inevitably results in increased production expenditures. Over the past 20 years, all expenditures for agricultural output have increased by more than threefold and yet this growth in expenditures is not being accompanied by an appropriate increase in output.

Many scientists and practical workers have become convinced that the main cause of the increase in agricultural production costs is the growth in prices for industrial products. General and far-reaching conclusions have been drawn based upon individual facts concerned with the raised costs for industrial products required for agriculture.

Under these conditions, a need has arisen for developing a system of measures for controlling the price levels for industrial products and services for agriculture, prices which will restrain raised costs for the means of production and services and not just for individual types and marks but rather by groups and on the whole for the totality of products and services from the 1st sphere of the APK being made available for sale to agriculture.

The prices for individual types and marks of machines are established in conformity with specially developed and officially recognized methods. Moreover, the prices for industrial products for agriculture must necessarily be coordinated with USSR Gosagroprom [State Agro-industrial Committee]. Thus price formation for specific types of products is controlled not only by USSR Goskomtsen [State Committee on Prices], but also, and this is a point which is of special importance, directly by the future consumers of these products.

The need for exercising control over changes in the rates and tariffs for products and services from the 1st sphere of the APK, for ensuring that the price changes conform to the national economic effectiveness of industrial output and over the ratio of these prices with regard to the procurement price level is pointed out directly in the following decrees of the CPSU Central Committee and the USSR Council of Ministers: 7 July 1983 decree entitled "Improvements in Economic Relationships of Agriculture With Other Branches of the National Economy" and the 20 March 1986 decree entitled "Further Improvements in the Economic Mechanism for Management in the Country's Agro-industrial Complex."

In carrying out the above decrees, methods were developed for computing indexes for the procurement prices for agricultural products and the wholesale prices for industrial products sold to agriculture and for the rates and tariffs for services provided to kolkhozes, sovkhoses and other agricultural enterprises and organizations.

The mentioned methods were discussed extensively by the specialists of many departments and scientific-research institutes of the USSR Academy of Sciences and VASKhNIL [All-Union Academy of Agricultural Sciences imeni V.I. Lenin], engaged in studying similar problems, and by eminent scientists in this field and they were approved by them taking into account the various comments passed along.

The methods were coordinated with USSR Gosplan, USSR Minfin [Ministry of Finances] and the former USSR Minselkhoz [Ministry of Agriculture and they were approved in 1984 by USSR TsSU [Central Statistical Administration] and USSR Goskomtsen.

In 1986-1987, a second variant of the method for computing the indexes for wholesale prices for industrial products sold to agriculture and for the rates and tariffs for services provided to kolkhozes, sovkhoses and other agricultural enterprises and organizations was prepared by USSR Goskomtsen, USSR TsSU and the Scientific Research Institute of Prices and approved by USSR Gosagroprom, USSR Goskomtsen and USSR TsSU.

The method for computing the indexes for procurement prices was developed long ago and computations based upon this method have been in use for more than 20 years. The principal complication has to do with the development and approval of a basically new method for computing the indexes for wholesale prices and the rates and tariffs for products and services for agriculture.

The purpose of the index method for wholesale prices is to ensure control over the overall price level for a maximum range of industrial products and services, over the ratio for a change in prices in accordance with the principal parameters for the quality of the industrial products (productivity, power capability, percent of material content and so forth) and over structural improvements in deliveries.

A comparison of the overall level for the prices, rates and tariffs for industrial products and services for the rural areas against the level for procurement prices will make it possible to control the ratio for these prices on the whole and to make a judgment concerning the availability or absence of price parity and on the degree of increase or savings in agricultural expenditures for the purpose of acquiring industrial products and payments for services, both on the whole and for individual groups, for example for equipment, mixed feed, mineral fertilizer and others, and even for individual types and marks.

The principal aspects of the method for computing the indexes for wholesale prices are the following.

First of all, USSR statistics ensure the inclusion of practically the entire totality of industrial products sold to kolkhozes and sovkhoses and the services rendered to them and also the use of actual price lists (with additional payments and price reductions). In order to compute the mentioned indexes, a vast amount of information is collected that serves to describe the actual amounts of the products and services supplied to agriculture, in both a physical-material and cost expression, that is, the true annual expenditures of kolkhozes and sovkhoses for acquiring industrial products and paying for services. This makes it possible to describe the price relationships on the whole and to evaluate the scales of inter-branch exchange, instead of studies of individual

or randomly chosen types and marks of industrial products and services, or studies which are based upon the material expenditures of the kolkhozes and sovkhozes. Towards this end, the entire volume of industrial products and services is combined into uniform statistical sub-groups which are used for computing the required indicators. In all, 80 groups of products and 50 groups of services are used in the computations. These groups include more than 1,500 specific types valued at approximately 50 billion rubles (1985). The computation of such indexes is being carried out in the USSR for the very first time. It bears mentioning that similar indexes are being computed in the statistical practice of a number of capitalist and socialist countries not on the basis of extensive statistical observation but rather based upon individual specimens of goods.

Secondly, in order to establish control over the conformity of a change in prices to the effectiveness of the industrial products sold to agriculture, the method calls for the wholesale price index for industrial products, for a majority of the types of means of production, to be computed taking into account the principal indicators for quality and their consumer properties. Such a methodological approach makes it possible to take into account the actual delivery volumes and to smooth out (or even to eliminate) the effect of the structural factor, distinct from the physical index for average prices, which is greatly affected by the structure of deliveries. At the same time, a real opportunity will appear for controlling the conformity of the prices to quality by groups of products.

In order to compute the wholesale price index for industrial products, while taking into account its quality and a computation of the average prices in a computation for quality for each similar group, one specific indicator was singled out which reflects the most important quality characteristic of the product. For example, in the case of tractors — their capacity in horsepower, for trucks — the freight carrying capability of the vehicles in tons, for agricultural machines — hourly productivity in hectares, tons or cubic meters, for mineral fertilizers — percent of nutrient content, for mixed feed — crude protein content and so forth.

The quality indicator selected for computing the wholesale price index is the chief one for each specific product or group of similar products. At the same time, it does not fully take into account the useful effect embodied in the product. For example, in the case of equipment improvements are considered not only in terms of increasing the productivity or power rating, which are taken into account when computing the index, but also the savings in fuel and operating expenses, reduction in losses, improvements in working conditions and others.

For example, in 1985 an improved (heated) cabin was installed on tractors of the MTZ group and a mark-up was accordingly added to the wholesale price. Naturally, an increase was noted in the index for average prices in

a conversion for productivity. However, an improvement in working conditions is a very important and vital aspect in agriculture, despite the fact that the effect generated by such a measure is very difficult to measure. Any computations will be more than conditional and approximate. In such instances, it would obviously be wrong to refer to such agricultural expenditures as "ineffective" or "uncompensated."

Thus, when computing the wholesale price index, the use of one indicator for quality or productivity, even if it is the chief one, does not fully take into account the effectiveness of the industrial products. At the same time, all computations of economic effectiveness and the method for carrying out these computations in a broad and generally accepted form are presented only for equipment. None are available for the other groups of means of production. We must use a uniform methodology for determining effectiveness for enlarged groups and on the whole for the totality of industrial products. Thus the method used for computing the wholesale price indexes in a conversion for quality is at the present time the only possible and acceptable one for computing the average prices not only for equipment and not for individual types but for groups and the totality of means of production on the whole.

At the Institute of Economics of the UkSSR Academy of Sciences, under the direction of Academician I.I. Lukin, studies were also conducted on the price ratios for products and services sold and rendered in the public sector of agriculture.

In accordance with the plan of the authors, their method should have made it possible, from an overall change in the production expenditures in agriculture, to divide up the proportion which reflects the action of the prices into the industrial products acquired and the services rendered to the kolkhozes and sovkhozes.

Here the principal indicator is the index for the price ratio, determined as the ratio of the procurement price index to the index for the production cost for the agricultural products, while taking into account the increase in costs for the means of production. The increase in costs for the means of production is computed not based upon the wholesale prices, rates or tariffs for the industrial products and services for agriculture, but rather based upon the material expenditures of kolkhozes and sovkhozes for the production of agricultural products for four very large groups of industrial products. And the authors refer to these material expenditures as "purchase prices," since included here are the retail prices for the means of production plus the additional expenditures and losses associated with the storage, delivery and, most important, the use of these means of production in agriculture.

Permit us to cite a conditional example that clearly describes the great difference embodied in the concepts "price list prices" and "purchase prices."

Let us assume that during a particular year agriculture was supplied with 100 tons of mineral fertilizer at a wholesale price list cost of 1,000 rubles. In the annual reports of the agricultural enterprises for which the "purchase prices" were computed, these figures will appear differently: 70 tons of fertilizer were applied to the fields (instead of the 100 tons purchased) at a cost of 1,400 rubles (instead of 1,000 rubles). Instead of 100 rubles per ton of product acquired, 200 rubles per ton of product applied were obtained. The amount decreased as a result of losses while the expenditures increased.

Such an increase in the cost of the means of production consumed brings about a distortion in the indicators for the price ratio in the exchange of products between agriculture and industry. The replacement of the wholesale price index by the index for expenditures constitutes the principal difference between the method of the Institute of Economics of the UkSSR Academy of Sciences and the method employed by USSR Gosagroprom, USSR Goskomtsen and USSR TsSU and this precludes the possibility of using it for the purpose of controlling the ratio of the procurement and wholesale prices and also over the ratio for the prices and the effectiveness of the industrial products sold to agriculture.

Based upon their own index for price equilibrium (instead of the price level ratio), the authors of the method strive to validate the conclusion concerning the need for automatic reimbursement for the constantly increasing expenditures of kolkhozes and sovkhoses which are economically unjustified, absolutely unacceptable and even harmful, given the modern economic situation aimed at strengthening responsibility and discipline, raising the return from invested resources and consistently converting agricultural enterprises over to cost accounting, self-support and self-financing.

In accordance with methods approved by Goskomtsen, TsSU and USSR Gosagroprom, index computations will be carried out annually commencing in 1983. During the course of current work concerned with computing the price indexes for the means of production and services for agriculture, additions and changes were introduced into the method which were not considered to be of a fundamental nature.

Let us pause to discuss the key aspects of the system for computing the indexes for prices, rates and tariffs. The following computations are carried out for each mark of product:

— value of the total volume of deliveries (product of the price list price multiplied by the actual volume of deliveries);

— the total amount of productivity, capacity, nutrient content and so forth (productivity of one machine multiplied by the delivery volume).

Thereafter, the average price per unit of productivity is determined for a small and similar group of products. This indicator is also used in subsequent computations.

The index is computed using the general formula:

$$I = \frac{\sum p_1 q_1}{\sum p_0 q_1}$$

where p_1 ; p_0 — is the average price for the group in a conversion for the principal parameter for quality in the year being reported upon (1) and in the basic (0) year, or the average actual rate for services for the group; q_1 is the total amount of productivity, capacity and so forth for the group for the year being reported upon, or the volume of services rendered for the given group during the year being reported upon.

The increase (savings) in agricultural expenditures is defined as the difference between the numerator and denominator of the index. To a certain degree, the price index takes into account the effect of the structure.

The indexes for the wholesale prices, rates and tariffs are computed for the country as a whole and this makes it possible to analyze the price interrelationships of industry and agriculture and the material flows in agriculture on the scale for the national economic agro-industrial complex. At the same time, the mentioned indexes can be computed for the union republics.

In order to determine parity for the purchase and wholesale prices, when computing the indexes for the wholesale prices, rates and tariffs, 1983 is used as the basic year, the year in which favorable conditions were created for developing production and strengthening the financial status of the kolkhozes and sovkhoses. When determining parity for the procurement price levels on the one hand and for the wholesale prices, rates and tariffs for the industrial products and services for agriculture on the other, and particularly when the prices are regulated based upon the results of the computed indexes, extreme importance is attached to revealing clearly the limits for their applications and the possibilities for their use.

First of all, it should be borne in mind that an index alone, in describing a deviation in the overall price level in the direction either of an increase or reduction, provides only a limited amount of additional information. It only issues a signal concerning the existence or absence of such a deviation or an increase or reduction in the overall price level, it defines the trend in the average prices and it reveals the products and services having stable disparities with regard to price and quality. A very thorough and detailed analysis of the computations carried out is needed in order to uncover the causes of a deviation of the index from 100 percent.

Secondly, a comparison of the purchase price indexes against the indexes for the wholesale prices, rates and tariffs is incorrect from an economic standpoint, since the kolkhozes and sovkhozes carry out their economic activities while utilizing considerably greater financial resources than they are obtaining from the sale of their products to the state through the purchase prices. Here we have in mind budgetary financing and crediting and so forth. Thus when using the mentioned indexes as an instrument for analyzing the totality of economic relationships in spheres I and II of the APK, all of the channels for financing must be taken into account and the price index levels must not be transferred automatically over to the entire totality of interrelationships. In addition, consideration must be given to the fact that each percent of the purchase price index has a monetary value that is greater by a factor of 2.5-3 than a percent of the index for wholesale prices, rates and tariffs.

Thirdly, the method for computing indexes for the wholesale prices, rates and tariffs for the industrial products and services for agriculture constitutes a set of instruments for controlling the level for these prices, for ensuring that the overall wholesale price level conforms to the average level for the groups and to the standard quality and also for ensuring that the ratio for the wholesale prices, rates and tariffs conforms to the purchase price level on the whole. In order to solve the other problems associated, for example, with the effectiveness of use of resources, with the concealed and increased (uncompensated) costs which arise in many instances, with improvements in logistical supply and so forth, individual methodological solutions are required.

In recent years, price formation has been criticized considerably owing to the fact that the parameters set forth in the normative-technical documentation are quite often being ignored by the machine building enterprises and as a result the planned effect turns out to be inflated in many instances. However, it should be borne in mind that the price is established for a specific mark and type of product that is characterized by definite quality parameters that are set forth in the GOST's [state standards] and TU's [technical specifications], which must be viewed as the norm and as law by the producers. And it must be this way in planned price formation. Under these conditions, in order to avoid infringing upon the interests of farms and encouraging low quality work, a complex of measures is needed for creating opportunities for consumers to order and obtain only those products which they need and without any coercion or injunctions; for raising the requirements with regard to the observance by industry of the assigned technical-economic parameters for the production and delivery of products to agriculture and also the requirements imposed upon agriculture — in connection with the use of these products and also more strict control during the preparation of new types of products for production and the development of limit prices. It is obvious that all statements concerning increased costs

and violations of equivalence in the exchange of products between spheres I and II of the APK occur, to the detriment of agriculture, as a result of the confusion surrounding three similar concepts:

- industrial products (and not only those for agriculture) must necessarily conform to the standard requirements, TU's and other normative documents. Unfortunately, they are still being violated by industry on a frequent basis;

- the industrial products employed in agriculture must be considerably more efficient and used in a more thrifty manner;

- the prices must conform to the definite normative parameters for quality as set forth in the normative-technical documentation. As noted in the report delivered by M.S. Gorbachev during the June (1987) Plenum of the CPSU Central Committee, the prices for goods produced and the rates for services appear as unique economic norms.

If we limit the problems, then it becomes obvious that the price problem can and must be solved. The price problem is resolved each time when establishing the prices for new types of products. The method for computing the indexes for wholesale prices, which is under discussion, is an attempt to once again solve the price problem, but at the national economic level — control over the problem of the overall price level and over the conformity of a change in the prices to the quality of the industrial products.

The index computations were carried out for four periods (1982-1983, 1983-1984, 1984-1985 and 1985-1986) and the analysis of these periods made it possible to reveal definite regularities and to draw the following conclusions.

1. The method developed ensures a solution for the established tasks and in particular it makes it possible to control the ratio for the price levels for products in spheres I and II of the APK, to take into account the actual agricultural expenditures for acquiring industrial products and for paying for services and to control the conformity of price changes to the quality of the industrial products being sold to agriculture, both on the whole and for individual types or separate groups (that is, to determine the quantitative relationships and the price ratios in the interrelationships of spheres I and II of the APK).

2. The prevailing point of view concerning a disruption in the price balance between industry and agriculture, to the detriment of agriculture, was disproved by computations carried out based upon this method. For a number of years now, the price interrelationships on the whole with no infringement upon the interests of agriculture.

The principal amount of cost increases (that is, the increase in expenditures at the expense of growth in average prices) for agriculture is associated with mixed feed, that is the industrial product the raw material for which is supplied by agriculture. In 1984 the increased cost for mixed feed amounted to 50 percent of the overall amount and in 1985 — 0.4 billion rubles, which exceeded the entire savings in agricultural expenditures realized from a reduction in the average prices for equipment, mineral fertilizer and supply services.

However, definite growth in the average prices for industrial products and services for agriculture is nevertheless still taking place. It is the result of structural changes in deliveries and it reflects the fact that the index computations, as already mentioned above, take into account only one parameter for quality — productivity in the case of equipment. The computation does not take into account a savings in fuel, a reduction in losses, an increase in durability or other factors and particularly an improvement in working conditions. At one time, these indicators were computed, checked and coordinated during the course of developing and approving individual prices for specific types of products. Thus, growth in the average price index, in a conversion for the principal parameter for quality, takes place as a result of structural changes and unaccounted for quality parameters (both economic and social). And this is normal, particularly in view of the fact that an increase in payments to agriculture, as a result of growth in the average purchase prices, takes place in considerably greater amounts than an increase in the average wholesale prices.

Taking into account the facts already stated, it is impossible to agree with the statements of some economists who hold that a violation of price equivalence at the expense of agriculture and the need for compensating agriculture for the growth in expenditures derive from a change in the average prices, rates and tariffs, that is, structural changes.

Another problem is that which arises when the index computations underscore a steady and considerable increase in prices, in the computation for the principal parameter for quality. But in this instance it would be more advisable and more objective from an economic standpoint to raise the question concerning cardinal changes in price formation or in the interrelationships of branches rather than compensation, which indirectly legalizes the trouble exposed. The above statement applies fully to mixed feed. An increase in the average prices, in a computation per unit of quality (protein), leads to a considerable increase in costs for agriculture, with subsequent growth in the production costs for animal husbandry products. However, practically all of the raw materials in mixed feed are of agricultural origin. After sharply reducing the sale of cake and oil-seed meal to the mixed feed enterprises and having increased by a factor of 2-3 the sale of corn or wheat, the kolkhozes and

sovkhozes obtain from industry more expensive mixed feed with a lower protein content. In the process, the prices for some types of raw materials in the mixed feed remain unchanged.

Here there is no room for talk about compensation — this is a very simple and most unwise solution and one which leads to the concealment and legalization of existing shortcomings. This solution is only for today and does not take into account the tasks and prospects for future development. Thus the need for searching for another solution is obvious.

In this regard, great importance is being attached to implementing the decree of the CPSU Central Committee and the USSR Council of Ministers entitled "Urgent Measures for Increasing the Production of Seed for Oil-Bearing Crops and Vegetable Oil." The mentioned decree calls for an increase in the wholesale prices for mixed feed, one which will simultaneously ensure a considerable improvement in its quality and in its content of protein and other valuable components.

What about those instances when agriculture is burdened with more expensive construction installations, the acquisition of equipment and so forth. Here a requirement exists for a more active position being taken by the organs of USSR Gosagroprom. They should not "take until they give," since such unscrupulous behavior subsequently results in increased production costs, a reduction in the return from expenditures, a deterioration in a number of other indicators and in the need for repeatedly asking the state for an increase in the purchase prices in order to ensure expanded reproduction.

The introduction into operational practice of computations for the wholesale price indexes for industrial products and services for agriculture makes it possible, with the aid of the new instrument of economic analysis, to study more thoroughly the processes concerned with development of the agricultural economy.

Over the past 5 years, the results from computing these indexes have shown that an increase in the prices for the means of production and services for agriculture is by no means the only or chief cause of an increase in production costs or a deterioration in the financial-economic status of the kolkhozes and sovkhozes. Those economists who state otherwise are conscientiously erring or conscientiously closing the path for serious analysis of the profound processes associated with a deterioration in the use of production factors and disproportions and shortcomings in logistical supply and in the use of the means of production directly at the kolkhozes and sovkhozes. They are completing their analysis at a point where genuine analysis is only commencing. Thus it is important not to close one's eyes to the increasing expenditures. We must not shift the blame for them to somebody else and we must not attempt to conceal poor work behind the requirements for compensating for the additional expenditures or other payments and subsidies.

Serious work is needed in connection with searching for and eliminating the real causes of the growth in production costs, particularly in agriculture proper and also in industry, logistical supply, stimulation and so forth. As emphasized in the report delivered by M.S. Gorbachev during the June (1987) Plenum of the CPSU Central Committee, active use must be made of the tremendous reserves which are available in agriculture in all areas. "The kolkhozes and sovkhoses must increase their

return from those investments which have been directed in recent years towards developing the rural areas." Negligence in work covered by the budget will corrupt a farmer.

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HOUSING CONSTRUCTION

Kazakh Minister on "Zhilye-90" Program

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KOMMUNALNOYE KHOZYAYSTVO in Russian
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[Article by KaSSR Minister of Housing and Municipal Services Sh.Sh. Shardarbekov under the rubric "The Decisions of the 27th CPSU Congress—To Life!": "The 'Zhilye-90' Program—Housing Yesterday, Today and Tomorrow"]

[Text] *The Zhilye-91 Comprehensive Program for the KaSSR, which is a result of the collective creativity of the masses, was described in the article "A Great New Settlement," published in Pravda in the middle of August. Collective because there was not a single shop, farm, detachment of mechanics or institution where ways of resolving the housing problem in the republic were not discussed. Zhilye-91 is the first stage of the program. It envisages providing apartments for all who were in line on January 1 of this year. There will also be second and third stages before the beginning of the next century.*

In order to fulfill the first stage, however, 1.4 times more must be built than is planned in the 12th Five-Year Plan. The older housing stock must be modernized and the lifetime of each building must be lengthened with a thrifty and owner's approach toward its operation.

We asked the minister of housing and municipal services of the KaSSR, Sh.Sh. Shardarbekov, to relate the place of operational housing workers in the "Great New Settlement of Kazakhstan."

Yes, the role of the operational housing organizations is of no small importance in the realization of the Zhilye-91 program.

Proceeding from that fact, the operational housing organizations of the KaSSR Minzhilkomkhoz [Ministry of Housing and Municipal Services] are conducting purposeful work to improve the upkeep of housing in use.

The balance sheets of the local soviets of the republic currently have some 32.6 million square meters of total area. It increases by 750,000-800,000 square meters a year. The urban housing stock of the local soviets is 95.6-percent equipped with water supply, 94.7 with sewage systems, 76.9 with hot water, 94.3 with central heating and 92.2 percent with gas, which is 2-3 percent more than the 11th Five-Year Plan.

Work is being done here in the capital repair of equipment in housing poorly equipped with water supply, central heating and hot water. The volume of these operations comprises some 190,000-200,000 rubles annually.

The republic Kazremzhilproyekt [KaSSR Housing Repair Planning Institute] of KaSSR Minzhilkomkhoz has begun preparations for developing standard design solutions for modernizing the residential housing of the first series of mass housing construction, the aim of which is to eliminate the functional obsolescence of buildings. The experimental modernization of two residential buildings is projected for 1989 in the cities of Alma-Ata and Aktyubinsk with the subsequent expansion of these operations in other cities.

Systems for the dispatcher control and remote control of elevator facilities is being incorporated with the growth in multistory development and the sharp increase in the amount of elevator facilities.

Today 650 elevators are hooked into systems of dispatcher control in the residential housing of the local soviets, with an annual economic impact of 80,000 rubles. Some 50-60 elevators are added to the dispatcher system each year in the residential housing of the local soviets.

An integrated TM-320 remote-control system has been activated in Alma-Ata, and they are planned for incorporation in Karaganda and Pavlodar in the current five-year plan. The production of central elevator-control panels for the intrinsic needs of the housing organizations of the local soviets has been organized in Pavlodar.

Definite work is being done on activating the public, whose role in the cause of preserving the housing in service is difficult to overestimate. Over 3,000 housing committees are operating in the housing organizations of the local soviets. They take part in annual competitions and inspections. About 4,000 buildings have already received the title of model ones. There is also competition underway for the best landscaping and the prettiest "greener verticals."

Public teams from among the residents are being organized in a number of cities for the routine repair of avenues and the equipping of sports and playground areas. Such teams are operating in Alma-Ata, Chimkent, Semipalatinsk and Taldy-Kurgan.

The initiative of Secondary School No 36 in Alma-Ata is deserving of attention—they were able to draw the pupils into taking part in work on maintaining the buildings and the premises according to agreements with the ZhEU [housing operations section]. The initiative was supported by the ministry of the republic and has been recommended for dissemination to other cities as well.

The conversion of housing organizations to the new management structure is being completed in the republic this year with the creation of specialized services for the

operation of the housing stock. The amalgamation and centralization of these services has made it possible to raise the quality of routine and preventive repairs for residential housing.

The decree of the CPSU Central Committee and the USSR Council of Ministers "Steps for the Further Improvement of the Work of Housing and Municipal Services in the Country" has put before our sector the task of organizing central dispatcher services over the course of two years, which should raise the efficiency of fulfilling the demands of the population. Preparations for the creation of such services are being conducted in Karaganda and Tselinograd.

At the same time, a series of problems whose resolution would make possible a marked improvement in the quality of the upkeep of the housing stock have come to a head in issues of operating the housing stock at the current time.

Over recent years, in connection with the sharp increase in the level of engineering and comfort of residential housing, spending on its maintenance has increased markedly. In 1986 it totaled 2.87 rubles per square meter of living space, which is 36 percent higher than, for example, 1980. The income of operational housing organizations has remained unchanged over many years. Rent payments, by way of example, have remained at the 1966 level.

There is still much manual labor in our sector. The need of the housing industry for weak-current electrical devices is only 10-15-percent satisfied, in connection with which labor productivity in the housing industry, and especially repair operations, remains low.

The cleaning of building premises is done by hand due to a lack of small-dimension road sweeper-collectors.

Planning practices are being perfected in order to improve the quality of capital repair. The planning of capital repairs is accomplished according to a two-year cycle in the majority of sector centers of the republic.

The implementation of preparatory work for the preliminary selection of planning of groups of residences or apartments rather than single buildings with common service lines is projected for this year, which will permit an increase in the productivity of repair work.

Also planned are improvements in the quality of plans through the employment of standard prefabricated structural building elements in repairs. The amounts of

instrument observations of the technical condition of residential housing as the basis of planning under contemporary conditions, however, does not provide for the essential equipment, especially mobile laboratories of the PL and PLM type.

The construction and reconstruction of the productive base of residential and repair organizations is an important direction in ensuring the preservation of residential housing. Some 5.4 million rubles were directed toward this goal in 1987. At the same time, substantial difficulties in this work were caused by the fact that neither the material resources nor the constituent equipment were planned for the indicated funds.

The housing stock of the local soviets currently comprises some 25 percent of the summary stock of the republic, and the remaining portion is scattered among various ministries and departments that do not always provide for their proper preservation. The proportionate spending on the upkeep of departmental housing is moreover frequently 2-3 times higher than for the housing of the local soviets. Preparations have thus been begun for accelerating the transfer of departmental housing onto the balance sheets of the local soviets.

The problem of water, heat and electric-power economy is also topical in municipal services. It should be acknowledged that the work being conducted in this area is extremely inadequate. The chief cause of this is the acute shortage of devices for regulating and automating the engineering systems of residential housing. These devices, as currently produced by industry, are unreliable and, as a rule, are not cheap. Moreover, the need for them is no more than 30-percent satisfied.

So then, definite economic and organizational work is being done on restructuring the activity of the operational housing organizations.

According to the results of eight months of 1987, the plan targets for capital and routine housing repairs have been fulfilled by 103 and 101.3 percent respectively, wherein housing with a total area of 432,000 square meters has undergone capital repairs.

In the year of the anniversary of Great October, the workers of the sector have taken on the obligation of fulfilling the plan for repair work ahead of schedule by December 28. Such is the contribution of the workers of the sector to realizing the republic Zhilye-91 program.

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POLICY ORGANIZATION

Retail Pricing Policies Debated

Discrepancies Complaint

18270025a Moscow SELSKAYA ZHIZN in Russian 22
Nov 87 p 2

[Article by K. Tigor, under the "Readers' Opinions" rubric: "Two Prices"]

[Text] "Since the onset of rainy weather I, like anyone who lives in the country, wear rubber boots. During the inter-season period they are a necessity. I walk about shod in rubber in spring and autumn and strictly so in summer as well. I don't mind paying for inclement working conditions, but it's quite the opposite: it is not enough that I pay money which I could have used for something else for boots, but what's more, I have to pay more than they cost a city-dweller, if city-dwellers had any use for boots.

"Here is what is strange: the further a rural dweller lives from the city and the more impassable the roads, the more all goods cost him. The cooperatives' price mark-ups to the retail price on most of the goods imported into the rayon eat up a solid portion of the rural workers' wages and increase the cost of living in the country.

"I have in my hands a raypo [local rural retail cooperative shop] bulletin, "The Amount of the Mark-Ups to Retail Prices Broken Down by Groups". There are five groups of goods on this bulletin, and some of them, for example metals, cement, varnish, paint, glass and other building materials, have been marked up as much as 20-30 percent. It turns out that it's as if we have been asked on the one hand to develop individual construction out here in the countryside, but on the other hand every nail and every can of paint bought in the country costs one-third more than in the city. A discussion is now unfolding in the pages of the periodical press concerning anticipated increases in the prices for meat and milk products and bread. Some are in favor of the prices being raised, and other are categorically against it. It is interesting: for some reason, no one is paying any mind to the fact that we have long had "city prices" and "country prices" for foodstuffs. In the city, milk costs 30 kopecks per liter, a kg of sour cream costs 1 ruble 15 kopecks, a kg of cream butter costs 3 rubles 40 kopecks, whereas in the country a liter of milk costs 42 kopecks, a kg of sour cream sells for 3 rubles 77 kopecks and a kg of butter goes for 8 rubles 53 kopecks.

"They explain to us that the price mark-up for industrial commodities is to pay for their being delivered to the country. But why do the city-dwellers not pay the state's costs for deliveries of milk from the kolkhoz to the city? It is commonly known that they reimburse a part of the

cost, and the state absorbs the difference between the production cost and the retail price for foodstuffs. It is reimbursed from the common "purse", that is, from the peasants, as well.

"Of course, we know that the consumers' cooperative operates on a self-support basis and cannot sell products at lower prices than they in fact cost the cooperative. So let the city-dwellers pay the full price for them. But this is somehow offensive—we live in the same state, but pay different prices. Or let the city sell its goods to the country at reduced prices.

"Many people feel that rural dwellers make up for their overpayments with their private farm plots, as if the output from these farms is cost-free in terms of labor or expenditures. I'm not saying that the people who live in our rayon live so poorly. Every family lives in relatively good circumstances, and has personal savings. All the same, when you know that there are more and cheaper items nearby in the city stores, that's where you have to go.

"The writer Ivan Vasilyev, in the magazine Nash Sovremennik had this thought: "The people themselves have the most finely-tuned detector of the community's needs. When we have fallen behind on the industrial plane, or on the military plane—our talents have rushed in to make up the gap. When we have fallen behind in agriculture, our talents remain here. The people have a sense of where to send their finest sons."

"With all respect to the writer Ivan Vasilyev, I cannot agree fully agree with him. Our talents also go to stores and pay close attention to the prices." —K. Tigor, Sedelnikovo (Omsk Oblast).

Follow-up Letters

Moscow SELSKAYA ZHIZN in Russian 26 Dec 87 p 3

[Follow-up letters to above article under the "Pro and Con" rubric: "Two Prices"]

[Text] Following the publication of K. Tigor's remarks entitled "Two Prices" (21 November of this year), the editorial board received dozens of letters whose authors insistently asked us to continue our discussion of the pricing policy. We now give them the floor.

"The article "Two Prices" which you printed on 21 November, troubled me a great deal. This is a painful subject. I, too, am in favor of city-dwellers paying as much for everything as those of us who live in the country. Last year we came to Moscow, and saw tomatoes priced at 70 kopecks apiece, where we pay R3 each for them. My brother tells me that in return I have my own potatoes. But are my garden and my potatoes free gifts? I have to open up the soil, manure it, plant it, till it, dig out the potatoes and bring them in....And I have to

pay money to the sovkhos for all this. And the peasants doing the work? I pay them with bottles of vodka." —N. Aleksandrova, housewife, Usvyaty Settlement, (Pskov Oblast).

"Truthfully written. There are good reasons why the countryside is being deserted, very good reasons. The work is hard and there is nothing in the stores. Not that it's all being bought up, either. Milk is 50 kopecks per liter, butter is R7-R8 per kg. It is difficult as well to work your own farm, I have a private plot, and I pay R150 to have it tilled. Insurance for my home and my cows and calves, the cost of fuel, electricity, home repairs and food comes to almost another R400. How am I supposed to compensate all of this?" —N. Prokofyev, machine operator, Koptayevy Village, (Kuybyshev Oblast).

"I was stunned by the arguments of the author of the article. What do you want, to work in the field wearing little white shoes? You're mistaken if you think people in cities live in easy circumstances and work less. The truth is, they earn less. What's more, everything of yours is close to your home, but the city dweller has to go to the market for everything he needs, right down to parsley and dill. And who is trading there? It certainly isn't city-dwellers. And your prices are many times higher than state prices. So don't envy us. If you don't like the prices in the country, come to the city and buy everything you can, like we do. Who's keeping you from it?" —G. Lavrega, Gomel.

"I feel that everything written in the article was correct, and that the prices for goods for both the country and the city should be the same. In my opinion, there has been some sort of leap-frogging with prices here. Year in and year out they get higher, especially for industrial commodities. And now they're talking about increasing prices for foodstuffs as well. This will cause more suffering for retirees than anyone else.

"But the article contains some views I cannot agree with. The author feels that the two prices, one for the peasant and the other for the city-dweller, are unjust when rural dwellers are buying. But when they are selling, they set very high prices for their products. Is this fair?" —I. Khryashchev, retired, Novosibirsk.

"Here's my opinion: anybody who is discontented with his present life in the country is not a hard worker and is in general unworthy of this life. The author of the article thinks the state is obliged to please everyone and to find a common denominator of well-being for everyone. This kind of arithmetic does not exist. Only a near-sighted person can believe that it costs less to live in the city than in the country. No one has to buy foodstuffs in the country: they can have their own. And to have this, all you have to do is work and work, nothing else.

"I am in favor of everything being cheaper and more abundant in the city. And peasants frequently inflate prices. Let's talk frankly: some of them are common

speculators. This makes everyone resentful, but not for the same reason. No one has to buy from them, we ourselves need to work, and there are opportunities to do so now, greater opportunities. For instance, our village puts no restrictions on our personal subsidiary plots. You can get some livestock, even get a hectare of land. As for me, I go to the store only for salt, sugar and bread. I have all the rest. I work, even though I'm already 80 years old. I wouldn't mind living this way for another thousand years." —M. Margosyan, Kurinskiy, (Krasnodar Kray).

Is It All The Peasants' Fault?

"I have been following with great interest the correspondence about the proposed price increases for foodstuffs. Some people say that we can't cope with the increases and others say that we will manage only by making it less costly to produce agricultural output. But this can be done by eradicating mismanagement on the most elementary level.

"I agree that there is plenty of mismanagement in the country, and also that the production cost of our output can be drastically reduced. But I would not agree that we agricultural workers bear all the guilt for making foodstuffs more costly. We, they say, are thoroughly poor workers and now the country has to foot the bill for our poor work. This is to say that the peasants are entirely to blame.

"Let's just take a look at who "makes" food prices and where and how this is done. These days, the prime cost for agricultural output is set in large part by the city, not the village. The fact is, machinery, building materials, fuel, spare parts, mineral fertilizers and many other items all come from the city. And they get more and more expensive with each passing year. The cost for mineral fertilizers has almost doubled during the last two decades. In 1966 it cost R465 to raise one head of livestock on a collective farm livestock department. It now costs R900. An SK-4 grain-harvesting combine cost R3,807, and a Niva combine now costs R6,945. Now they are promising us the Don-1500, which you'll never pay for no matter how much grain you harvest. Silage harvesters have gotten 6-fold more expensive. Meanwhile the actual productivity of these machines has not increased by one-half, or even by one-sixth, but by only 10-20 percent.

"And again, you could upbraid the rural machine operators. They are accused of operating the new equipment poorly. And it happens that this is so. But you should see what kind of equipment this is. You can't make it to the field on any of these machines—you have to take it in for repairs. And repairs are getting increasingly expensive as well. Where, people ask, are we to come by inexpensive meat or milk?

"Twenty years ago, we were producing R97 of output from R100 of fixed productive capital, and now we get only R61. Do you sense the difference? The cost for us to produce 100 quintals of beef has risen from 195 rubles 66 kopecks to 335 rubles 11 kopecks for the same period. In order to make ends meet we have to charge R7 for a kg of beef.

"A Rostselmash worker, or, say, a worker from the Altay Tractor Plant says, "That's more than we can afford." Yes, it is expensive. But if you, comrades want to eat cheap sausage and cheap cuts of meat, then make inexpensive and reliable machines for us." —G Koreyeva, animal husbandry brigade leader, Borskiy Sovkhoz, (Gorkiy Oblast).

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Indexing of Wages, Prices Recommended
18270034 Moscow SOTSIALISTICHESKAYA
INDUSTRIYA in Russian 5 Feb 88 p 2

[Article by Kh. Bekov, candidate of economic sciences from Moscow: "Whose 'Basket' Is It? How Much Does It Cost?"]

[Text] The reform of prices and tariffs is approaching. It is still not clear what the new price mechanism will be like. Suddenly it has become clear that we have neither practical recommendations for its reorganization, nor a strict theory of pricing. But on the other hand, each individual is very familiar with the dependency between the level of prices and the standard of living.

The ordinary citizen lives on his income. He is expected to fulfill an important social mission for his hard-earned money. He should reproduce his share of labor power. If prices on goods increase to the level of socially necessary expenditures for their manufacture, then wages should also increase. How and by how much? Enough, obviously, to guarantee socially necessary expenditures for the reproduction of labor.

Right now, state budget subsidies to support unprofitable prices total about 70 billion rubles. If we want the elimination of subsidies not to affect family budgets, it will be necessary to distribute such an amount in the form of wage increases and payments from public consumption funds. Thus, an annual budget of a resident in the country will increase, on an average of 230 rubles.

Who will suffer from this? First of all, families with many children, since the more the children, the less opportunity to profit by public consumption funds. Right now, these families will also suffer in comparison with families of fewer children and a jump in foodstuffs will increase the distortion.

Those who live on unearned income will also suffer. Presently, these individuals, more often and on a larger scale than the average citizen, acquire "subsidized" goods. Moreover, their financial accumulation depreciates significantly, which in itself is equitable.

How does one avoid libertarianism in determining price levels and wages? Theoretically, such calculation lends itself to methods of economic-mathematical modeling but, in a practical sense, it is impossible to do with the vast nomenclature of goods. However, it is possible and necessary to construct a simplified model of calculation. Take as a framework, a small number of the most important goods and services, the so-called "consumer basket." The index for growth in wages must precisely correspond to the index in price increases of goods from this basket. With the aid of such a simple method, each person can assess the rise or fall in prices without the assistance of specialists from the State Committee on Prices.

What goes into a consumer basket? Foodstuffs and industrial goods, social and everyday services consumed by a single individual, let us say, in a month. Thus, according to statistical data for 1985, one should include 5 kilograms of meat, 29 kilograms of milk products (in milk equivalent), 9 kilograms of potatoes, 1.5 of fish, 3.5 of sugar, 11 kilograms of bread products, and 22 eggs in the monthly basket. Such a selection costs almost 40 rubles in state prices. If these products are obtained at the market or at a cooperative, the total will increase by several times.

I do not have precise information on consumption of tea, coffee, cocoa, spices, candy, tobacco, wine, and vodka. According to my calculations, an average resident of the country spends minimally around 20 rubles per month on these purchase. Being extra conservative, we'll assume 10 rubles.

Another important category is industrial commodities such as furniture, clothing, everyday technology, and radio items. For interest's sake, make up a list of everything you have in the apartment and everything you wear. Divide the cost of each item into a worktime period in months and add up the figures. This total will turn out to be not less than 50 rubles.

Add to the "basket" rent, cost of heat, and electricity, expenditures for entertainment and transportation at a minimum of 15 rubles.

Note that we have not included here the cost of an automobile, a dacha, another large-scale possession or luxury items. But at this point, not every pension or salary will permit one to buy this basket. It is understandable why now. According to the smallest estimates, its value today comes to 115 rubles.

It is clear that the price increase of any of the enumerated goods will raise the value of the basket. If the prices for meat are doubled, the basket will become more expensive by 9 percent. This suggests that payments for each individual should grow by 9 percent. The overall increase in prices for foodstuffs in the basket at 10 percent should be accompanied by an automatic 5 percent raise in payments. And so forth. Such an index model allows one to effectively regulate, as we see, the rise of wages, contingent on an increase in price indexing.

What keeps the population guarded over the expected reform on pricing? One assumes that it is not those who have promised to bring prices on agricultural products in line with the demands of common sense. Who with common sense is arguing? Apparently, it is something else that is disturbing. Until now, there haven't been, for example, speeches by public servants from Goskomtrud. Nor have there been discussions by specialists about bringing wages up to correspond with future prices, not to say anything of its socially acceptable standard. Moreover, last year resolutions were accepted which fixed the wage level in education, higher education, health service, and industry. Thus, in one of the resolutions, it was specifically recorded that the wage of a secretary-typist in 1991 will increase to 90-120 rubles, as well as the wages of an archives custodian, a passport official, a clerk, and a draftsman. But the average living wage level, at that time, will be at least 180 rubles. The living standard of auxiliary personnel, a shortage which is already now greatly affecting the normal work of establishments and enterprises, will fall sharply. Yet no one has said one word about this.

Besides, one must be a realist. Foodstuffs are the push toward the first wave of price increases. A rise in prices is being proposed for energy and energy carriers. The amount of energy in the consumer basket is around 5 percent. If the price goes up 1.5 times, the average living wage level must increase by 2.5 percent. It is foolish that a new reform is developed for every new distortion in the price and wage structure. A "price index for wage increases" should operate automatically, without interference from the State Committee on Prices.

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GOODS PRODUCTION, DISTRIBUTION

RSFSR Trade Minister on Advances in Services
18270022a Moscow IZVESTIYA in Russian 20 Dec 87
p 3

[Interview with B.P. Shimanskiy, RSFSR Minister of Trade, by IZVESTIYA correspondent V. Tolstov; date and place not specified]

[Text] The second year in which the all-round program for developing the production of consumer goods has been operational is now expiring. What has been accomplished during this period and what changes have taken

place in supplying goods for the population and services for customers? An IZVESTIYA correspondent held a discussion on this subject with the RSFSR Minister of Trade V.P. Shimanskiy.

[Question] Vsevolod Pavlovich, what is your opinion: did we succeed during these 2 years in achieving the goals called for in the all-round program: an expansion in the production of goods and an improvement in the quality and an expansion in the assortment of products?

[Answer] Beyond any doubt, the situation has changed for the better in the case of many products. For example, in the RSFSR the demand for refrigeration units, porcelain-pottery, high quality glass dishware, certain items of furniture and photographic equipment is now being satisfied more fully. The shortage in manual orchard and garden implements has been eliminated. The assortment of cotton and flax fabrics and bedding materials and some other types of goods, which were in extremely short supply during the 1970's, has been expanded in the stores.

Nevertheless, it can be stated directly that only a limited degree of success was realized. Industry did not ensure the production of the goods required for the customers, as called for in the all-round program. Over a period of 2 years, the deliveries to the trade fell short, compared to the assigned program, by approximately 4 billion rubles worth of goods.

Neither the quality of the goods nor the assortment is satisfactory. One out of every eight sewing and knitted goods products is being rejected, one out of every six pair of shoes, one out of every five television sets, one out of every seven radios, one out of every three bicycles and so forth. The trade requirements for many products are being satisfied at the 30-80 percent level. Over a period of 10 months alone, enterprises of USSR Minleggishchemash [Ministry of Machine Building for Light and Food Industry and Household Appliances], USSR Minradio-prom [Ministry of the Radio Industry], USSR Minpromsvyazi [Ministry of the Communications Equipment Industry], USSR Minelektrotekhprom [Ministry of the Electrical Equipment Industry] and a number of other union ministries failed to supply almost 1 billion rubles worth of television sets, sewing and washing machines, vacuum sweepers and many other types of goods called for in the all-round program and in high demand throughout the population.

The assortment of goods is being improved very slowly. Of 1,054 domestic products exhibited at a fair, only 10 of them turned out to be basically new items not produced earlier by our industry.

[Question] Before long the trade will have been operating for 6 months under the new managerial conditions. Is it at all possible, with the aid of cost accounting, to truly influence the producers such that they will produce the goods needed for the customers?

[Answer] In principle, I believe that such a possibility exists, but it is not yet being realized. It is apparent at the present time that the trade is being held strictly accountable for the non-fulfillment of contractual obligations. The fines and penalties for contractual violations as they pertain to deliveries have been increased by more than twofold. However, such fines have no meaning for the sales counters; goods and products are needed. But at the present time it is easier for an enterprise to turn over money than it is to produce goods.

Commencing 1 January, the effectiveness of the fines and penalties must be raised — the squandering of money will become very costly. However, the real threat lies in the fact that a supplier who is not under any obligation will not leave himself vulnerable to the imposition of a fine, but rather will simply avoid concluding contracts for the production of goods needed by the population. This would be my guess. We are already receiving information from enterprises of USSR Minpribor [Ministry of Instrument Making, Automation Equipment and Control Systems], Minavtoprom [Ministry of the Automotive Industry] and other ministries and departments concerning the rejection of contracts for deliveries of goods in 1988.

In our own case, the search for means and methods for influencing the trade and the producers of goods is continuing. We hope to receive assistance from the production-economic administrations created and attached to the local soviets, which will undertake to coordinate the production of goods in a region.

[Question] And will the new economic mechanism stimulate enterprise among the trade workers themselves?

[Answer] Yes, the initial positive changes have already been noted. For example, the Rossiya Department Store in Voronezh has organized a special section for the sale of goods by private producers. At the present time, such a section can be found in almost all of the large department stores in Moscow and other cities.

The trade is very brisk and provides additional goods turnover and income. The sale of goods produced by cooperatives is being handled in this manner. Moreover, cooperatives for the production of goods are being organized in the immediate vicinity of large department stores. Thus, success in this trade will depend largely upon local initiative and not upon the ability to request goods from higher organizations.

With the introduction of the new economic mechanism, difficulties can certainly be found now in the trade. Quite often the financial organs in the various areas, under the new managerial conditions, are employing the old methods. In September, the Ministry of Finances for the Karelian SSR unjustifiably withdrew 127,000 rubles worth of working capital from the local budgetary income of the republic's trade organizations and, in

addition, failed to transfer over to them the appropriations planned for the 3d quarter in the amount of 200,000 rubles. Such action can undermine not only the material foundation of cost accounting but also the faith of collectives in the new economic mechanism.

[Question] In many cities there is a shortage of stores and cafeterias. This is particularly noticeable in new housing regions. Herein lies one reason for the conflict between the trade and customers. Why is it that everything that is needed for developing the logistical base for trade is not built on schedule?

[Answer] I believe that just as in the past the builders are not devoting proper attention to trade installations or to other construction projects in the social sphere. Just as in the past, these construction projects are the last to be supplied with the needed material resources and manpower.

In the city of Komsomolsk-na-Amur, for example, the construction of a 10,000 ton refrigeration unit is at the "freezing point." From year to year, the contractual organization — Glavdalstroy of USSR Minvostokstroy [Ministry of Construction in the Far East and Transbaykal Regions] — is failing to carry out its established planned tasks. And the situation is particularly bad at the present time. Very poor work is being carried out in connection with the construction of a refrigeration unit in Chita, a storehouse in Ulan-Ude (the contractor is USSR Minvostokstroy), a refrigeration unit in Moscow (Glavmospromstroy), a department store in Bryansk (USSR Minsevozstroy), a storehouse in Saratov (USSR Minyugstroy) and a storehouse in Nakhodka in the Maritime Kray (Mintransstroy).

With regard to new housing regions, the stores and public catering enterprises are being erected on the basis of 5 percent withholdings from the cost of housing construction. It is thought that trade enterprises must be opened up simultaneously with the homes becoming occupied. However, this will not happen owing to the fact that the executive committees of the local soviets, just as in the past, are tolerating incomplete construction work in the housing regions, thus dooming the new settler to uncomfortable conditions.

What is happening this year? For example, in Rostov Oblast the annual plan for 9 months for placing trade enterprises in operation was fulfilled by 29 percent, in Tomsk Oblast — by 34 percent, in Smolensk Oblast — by 38 percent and in Khabarovsk Kray — by 27 percent. Certainly, lines form in these areas. Yes, quite often it is impossible to purchase a long loaf of bread in a new region!

[Question] In developed countries, extensive use is made in daily trade practice of scientific-technical achievements which raise the culture of services. Alas, our trade is not praised in this regard. Why?

[Answer] And where is our new domestically produced trade equipment? Today there are shortages in even the simplest of items: scales, cash registers, refrigeration equipment. Commencing in 1986, 10 additional union ministries of the machine building complex were included in the governmental decision concerned with the production of trade- technological equipment. The plans for this current five-year plan call for the production volume to be increased by more than a factor of 1.5 and to replace 90 percent of the trade equipment. Some progress has been made — the production of suitable coolers for the sale of beverages (they were formerly purchased in Italy) has commenced and domestically produced ice cube makers have made their appearance. Preparations for the production of soft ice cream freezers are nearing completion. In 1988, we must be supplied with sets of equipment for automating loading-unloading and warehouse operations, kitchen pots and other modern products.

It is hoped that electronic and laser equipment, which makes it possible to raise labor productivity and improve the culture of services for customers, will also be more than a remote possibility in the future for trade. During this current five-year plan, the stores will commence using scanning laser units for the instantaneous reading of the striped codes printed on the packaging of goods. Minpribor has promised to supply us next year with our first domestically produced laser assemblies.

However, the use of these lasers requires that all of the goods in a store be packaged in materials bearing the stripe code. Our suppliers are not producing goods in such packaging. And generally speaking, it can be said that the proportion of packaged goods is not increasing and the task in this regard is not being carried out. Only 5 percent of the sugar being traded is in packaged form, 20 percent of the confectionery products, 23 percent of the vegetable oil, 11 percent of the animal oil and so forth. And the remaining products, just as in the past, are in sacks, bags, boxes or vats. This is the question of questions. Unless a solution is found for it, it will be impossible to raise the culture of trade to the modern level.

[Question] Izvestiya's mail contains many questions as to whether or not the prices are to be raised and if so, when? The newspaper has already published information on this question and yet the rumors continue unabated. What can you say regarding an increase in the prices?

[Answer] First of all, we are speaking here not just of changes but of price reform. At the present time, this is an area of extreme neglect and confusion. It must be studied very thoroughly and this will require a great amount of time. This work is presently in progress and will be completed no earlier than 1989. The price reform project, as reported, will be raised for discussion. Thus the rumors concerning increases in the prices for goods commencing 1 January are groundless.

Those citizens who, upon hearing the rumors, decided to purchase and lay in supplies of macaroni, groats, flour and other goods, risk losing money or having the products spoil on them. I was told that one elderly woman entered a store in Kursk for the purpose of returning several dozen kilograms of flour. She had purchased the flour in the expectation that its price would rise. But the price did not rise and in the meantime more bugs are appearing in the flour.

Generally speaking, this is no laughing matter. Compared to 1986, the sale of flour throughout the republic has increased by 50 percent and in some oblasts — by more than threefold. Groat sales have increased by more than 13 percent and macaroni products — by 10 percent. Many are unable to use their supplies — the products spoil owing to poor storage under household conditions and eventually they must be discarded. Both the state and the family budgets suffer. It is for this reason that I state once again: the price reform is just now being developed and will not be ready for introduction before 1990.

[Question] My last question will in all probability be an unpleasant one for you. Have you heard the opinion expressed by foreign specialists that a Soviet salesman is lazy, crude, undisciplined and indifferent to the results of his labor? What is your answer to this and how do you evaluate such a method for intensifying material interest as the collective and family contract under conditions in which a trade enterprise is turned over on a rental basis?

[Answer] While abroad, I overheard such evaluations on more than one occasion and particularly the statement that all Soviet people are generally lazy. This is certainly wrong. A salesman truly is imbued with interest and possesses adequate skills. He worked for many years under conditions in which he was unable to display these qualities.

It can be stated directly that work in trade can be very difficult from a physical standpoint. There is a high proportion of manual labor. An average of up to one half ton of various types of goods passes through the hands of a food store salesman. These goods must be packaged, delivered to the trade halls and made available for the customers. Thus it is unfair to maintain that all salesmen are lazy. There is a good basis for sociologists referring to the work performed by cooks, waiters and salesmen as very difficult professions. Trade workers must prove their professional prestige through their own personal endeavors. But we will agree that the social opinion which develops concerning the branch, as a result of the efforts of the mass information media, is also important. For example, can you recall a movie, play, book or television program in which a trade worker was depicted not as a negative hero but as a normal individual? Such an occurrence does not immediately spring to mind.

The material interest of trade workers must be strengthened under the new managerial conditions. Here we see the principal path as being the extensive introduction into operations of such labor forms for organization and wages as brigade cost accounting and collective and family contracts. We wish to try lease contracts. Commencing next year, several public catering enterprises in Moscow and several commission stores will be transferred over to a collective on a lease basis. And it will have to manage its affairs on a completely independent basis and arrange for its own wages. The essence of the experiment lies in being able to check upon how successfully an enterprise is able to operate under the conditions of complete cost accounting.

We will see what happens. We still do not know exactly what independent commerce really is and nobody has as yet studied this problem. It will have to be studied as we go along by everyone concerned — by a salesman and by the minister.

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PERSONAL INCOME, SAVINGS

Economist Interviewed on Paying for Medical Services

18270006b Moscow IZVESTIYA in Russian 29 Sep 87 p 2

[Interview with Candidate of Economic Sciences T. Zaytseva, senior scientific associate of the Scientific-Research Economics Institute attached to USSR Gosplan, by IZVESTIYA correspondent S. Livshin; date and location not specified: "Is It Necessary to Pay for Medical Treatment"]

[Text] In the course of deliberation on the health-care restructuring plan, a discussion arose on to what extent paid services should be used in our medicine. In one of the recent issues of our paper (IZVESTIYA), a number of materials were devoted to this topic. Today we continue the discussion on the problem of paid medicine. The questions posed by IZVESTIYA correspondent S. Livshin are answered by Candidate of Economic Sciences T. Zaytseva, a senior scientific associate of the Scientific-Research Economics Institute attached to USSR Gosplan.

[Question] Judging by the letters received by the editorial office, the actual formulation of the question on expansion of the paid form of treatment is unacceptable to many. The authors of these letters see here an infringement of their right to health care inscribed in the USSR Constitution.

[Answer] Let us examine this a little. In 1986, the volume of paid medical services per capita in the USSR totaled 98 kopecks on the average. By the year 2000, it is proposed to increase this indicator only fivefold, which in my view is inadequate. As you see, it is a question of

insignificant expenditures even for the most frugal family budget. This means that the main portion of expenditures on health care as before will lie on the state's shoulders. Let me remind you that the maintenance of one patient in a hospital costs on the average 12 rubles a day. And if expenditures are totaled up for medical equipment, maintenance of buildings and other things, the figure increases four- to sixfold.

Moreover, these expenditures are bound to grow sharply in the immediate future—in the health-care restructuring plan, creation of diagnostic centers and provision of medicine with the latest equipment, meaning the most expensive, are contemplated. Under such conditions, the development of paid medical assistance will provide the possibility, first, of relieving the budget somewhat and, second, of reducing the shortage of medical services. It is also a question of the possibility of selecting a highly qualified physician at one's discretion.

[Question] Yes, but adequacy differs for everyone. There are families able to pay an honorarium to a physician, there are also those for whom it is difficult to find money for this from their slim earnings, pension or stipend.

[Answer] Without a doubt everything needs to be carefully considered. Free medical assistance is a social guarantee of our system and the foundation of Soviet health care. And it must remain that way. Not a single patient can be refused treatment regardless of the level of his material condition. But to change the situation in health care for the better, it is necessary to use all the available resources for its development.

However, the shady "envelope medicine" which exists today—the collections, extortions and forced payments from patients—present a great danger. According to findings of sociologists, 74 percent of the surveyed patients resorted to the services of medical personnel they knew, which is to say, privately. The closest estimate of these honorariums provides a sum exceeding six- to eightfold the volume of services of our present cost-accounting network. This already attests to the need of paid-medicine services accessible to a wide range of people.

The resources of the state are not limitless. The fact that we today are still unable to fulfill the ever-growing demand for highly skilled medical services speaks of the need for drawing on the personal funds of the population. And this demand is great. For example, in Moscow, in order to put one's name down for an appointment at a cost-accounting polyclinic, it is often necessary to wait from a month and a half to two months.

A patient should have a choice: to be treated by paying or without paying. This is available not only to families with high incomes. Here are the prices at a cost-accounting polyclinic: 50 kopecks for an appointment with an ordinary physician, 2 rubles 50 kopecks with a candidate of medical sciences and finally 3 rubles 50 kopecks with

a doctor of sciences. You will agree it is hardly possible to consider this as exorbitant payment. And I assume that in order to interest first-class specialists it would be worth thinking of an increase in rates. In my opinion, a professor is bound to earn less for consultations at a polyclinic than an illegally practicing physician but closer to the real value of his labor, more precisely, to his qualifications. One should not forget that a consultant at a cost-accounting polyclinic receives only a portion of this money; the rest goes for maintenance of the polyclinic. At the same time, there should be a revision of rates, say, for analysis—now they are beyond the pocketbook of many: 10-20 rubles. That is expensive because a great deal is done manually in the old way. If the laboratory were to have modern equipment, it would be less expensive for patients and one would wait less for the results.

[Question] Soon the first paid hospital in the country will open in Moscow. What is it: an exception to the rule or a new trend?

[Answer] It is an addition to existing health-care institutions. There exist at present, for example, paid cosmetological special hospitals. Now the range is expanding: the new hospital type is homeopathic. The course of treatment is estimated to be 21 days. It will cost the patient roughly 180 to 250 rubles. Expensive? But it is not more expensive than, say, time spent at many departmental sanatoriums or boarding facilities. Besides, payment at this hospital is not only for treatment but also for comfort: rooms for one or two, a larger number of personnel, food at a sanatorium level....

[Question] Incidentally, about feeding. Most readers of IZVESTIYA on discussing the plan were against introduction of paid feeding in hospitals. Do you share that point of view?

[Answer] In my view, the readers are right. As a matter of fact, food should be in part therapy. Charging a patient money for quite ordinary hospital food, it seems to me, in no way disposes of the problem of its quality. Let us bring personal services to mind: there all services are paid for, but what is the level of service? Another thing—snack bars should be opened in hospitals where for separate payment fresh vegetables, fruits and dairy products would be sold. And, of course, it would be good to raise the norms of expenditures on free food. The trade-union budget provides 2 rubles 50 kopecks for visiting a patient who remains on the sick list for more than 10 days. I think that this money could be centrally used for the improvement of medical service. Besides trade unions in general could in my view participate more in the financing of health care. And the money saved from reduction of morbidity could go to serve as an incentive to medical personnel.

[Question] What would you think of the following proposal: on completing treatment, the patient voluntarily makes a contribution within his means for the benefit of his physician or nurse? In Hungary this is called "gratitude money."

[Answer] Modern medicine involves the efforts of many people and to isolate the success of one or two people—would this be wise? A patient discharged from a division can anonymously contribute some sum to the material incentive fund of the hospital or polyclinic. And the council of the labor collective would distribute this unique bonus, taking into account the real contribution of each person—from the junior nurse to the chief physician. For greater objectivity, it would possibly be worthwhile involving the public in this.

I can also say the same thing about the proposed system of paid subscription medical service. It presupposes that an enterprise or social-insurance organs would pay for a "health subscription." But this would require, however, transfer of the entire health-care system to so-called "state-budget" cost accounting. With it, medical institutions settle among themselves for prevention and treatment while the results of the work of medical personnel come to directly depend on the population's state of health. This system will be introduced in the form of an experiment in several oblasts.

[Question] Will not that then reduce treatment to a primitive and cheap means?

[Answer] I hope not. After all, the work of the medical personnel will be evaluated on the basis of the end result, and this cannot be achieved without a serious medical arsenal.

[Question] But who will evaluate this work? Medical personnel themselves again: from the chief physician interested in satisfactory reporting to the medical statistician, experts and pathological anatomists?

[Answer] Well, there will be a need for extradepartmental control—of the state-acceptance type. Possibly on an economic-agreement basis.

The problem of paid services is a complex one in medicine. It is necessary to carefully think over and evaluate the acceptability of the various variants—from the presently proposed transfer of polyclinics to the balance of enterprises to the system of providing paid and unpaid stays at sanatoriums and insurance in the event of illness. Health care should have the possibility of earning money for its development and for the material stimulation of highly skilled labor.

But it does not pay to go to extremes. I have in mind the idea enunciated by some economists: to completely replace free with paid medical care, moreover, at the expense of the population. The correlation of cost-accounting and ordinary medical institutions should depend on the level of development of the economy and of medicine itself. The higher the income of the population, the broader should the opportunities of the family be to secure high quality paid assistance. But at the same

time, the foundation will continue to be medicine available to all, which is under obligation to provide social guarantees of health protection.

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Officials Discuss New Pension Provisions
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[Interview with Vyacheslav Viktorovich Shakhov, chief of Main Administration of USSR Gosstrakh and member of collegium of the USSR Ministry of Finance, with IZVESTIYA correspondent T. Khudyakova; date and place not specified: "Addition to Pension"]

[Text] Our readers already know that insurance of additional pensions will start as of 1 January 1988. The insurance rules have already been worked out. Our correspondent addressed V.V. Shakhov, chief of the Main Administration of USSR Gosstrakh and collegium member of the USSR Ministry of Finance, with a request to comment on them.

[Question] Vyacheslav Viktorovich, recall for us, please, the chief provisions of the new form of insurance.

[Answer] The agreement on additional pension insurance can only be concluded by workers—men from 35 years of age and women from 30 years of age. Thus the maximum period of insurance is 25 years and the total amount of the pension cannot exceed 50 rubles. Payments depend on the age of a worker and the period of insurance and size of the additional pension. This can be very easily computed with the table. I will cite an example. A man of 40 years of age who has arranged for additional pension insurance of 50 rubles will make monthly payments of 15 rubles and 5 kopecks over the course of 20 years. During these years he will accumulate 3,612 rubles, which he will return to himself in the course of 6 years. Subsequently, regardless of how long he might live, he will receive his additional 50 rubles. But the money now will be paid him from the state budget.

[Question] Can a person who has reached pension age conclude an agreement with you?

[Answer] He can even at 60 years of age if he continues working. In such a case, the insurance pension will be paid from 65 years of age.

[Question] Can all citizens without exception "earn" the additional pension?

[Answer] An exception exists—the new form of insurance does not apply to servicemen.

[Question] How can the arrangement be made?

[Answer] It is enough to make an application and transmit it at work directly to any insurance agent or to the Gosstrakh inspectorate at the place of residence. It is also necessary to make the first payment there. In addition, an application should be made to the bookkeeping office at the place of work since all subsequent payments will be transferred as noncash transactions.

[Question] Transferring of insurance payments would make extra work for the bookkeepers....

[Answer] They will be eager to do this as payment in remuneration is provided to bookkeepers in the amount of one percent of the amount of transfers they make.

[Question] In what cases and to whom is it permitted to make payments in cash?

[Answer] To group 1 and 2 invalids who have gone on pension for reasons of health. To women on leave caring for a child until the latter reaches one and a half years of age. To those who have been on treatment for a long time and to citizens who have missed making payments for one or two months.

[Question] And what if a person has changed place of work or residence? How will that be handled?

[Answer] It is enough to submit a notification to the Gosstrakh inspectorate in the rayon of the new place of work or residence. All concerns about arranging for a transfer will be assumed by Gosstrakh, moreover for free.

[Question] Let us assume that a citizen who arranged for additional pension insurance in the amount of 20 rubles has received a promotion at work and decides to increase the amount of pension.

[Answer] For this, it is enough to submit a new notification to the agent. This is not difficult to do as our agents will be constantly visiting labor collectives.

[Question] How will the additional pension be paid?

[Answer] The first additional pension is paid in the month following the attainment of pension age—60 years for men and 55 years for women. The money will be transferred to the savings book or sent by mail. Days of transfers are set by the Gosstrakh inspectorates in the localities.

[Question] Please describe in greater detail the rules on returning accumulated "pension" money.

[Answer] In the case of returning it, it is all quite simple. If people decide for whatever reason to take back already made payments, it is sufficient to put in an application. In such a case, Gosstrakh will retain for itself 8 percent of this amount. This rule does not apply to invalids—they will receive the entire sum in full.

Возраст страхователя (по годам лет)		(4) Срок уплаты взноса (лет)	(5) Ежемесячные страховые взносы (в рублях и копейках) при дополнительном пенсион в размере				
(1)			10 руб (6)	20 руб (7)	30 руб (8)	40 руб (9)	50 руб (10)
(2) муж	(3) жен						
35	30	25	2-20	4-40	6-50	8-00	11-00
36	31	24	2-34	4-68	7-02	9-30	11-70
37	32	23	2-48	4-96	7-44	9-92	12-40
38	33	22	2-64	5-28	7-92	10-56	13-20
39	34	21	2-82	5-64	8-46	11-20	14-10
40	35	20	3-01	6-02	9-02	12-04	15-00
41	36	19	3-23	6-46	9-60	12-82	16-15
42	37	18	3-47	6-94	10-41	13-00	17-35
43	38	17	3-74	7-48	11-22	14-06	18-70
44	39	16	4-04	8-08	12-12	16-16	20-20
45	40	15	4-38	8-76	13-14	17-32	21-90
46	41	14	4-78	9-56	14-24	19-12	23-90
47	42	13	5-23	10-48	15-60	20-82	26-15
48	43	12	5-76	11-52	17-20	23-04	28-80
49	44	11	6-39	12-78	19-17	25-56	31-95
50	45	10	7-13	14-30	21-45	28-60	35-75
51	46	9	8-07	16-14	23-21	33-28	40-35
52	47	8	9-22	18-44	27-66	36-88	46-10
53	48	7	10-71	21-42	31-13	41-84	53-55
54	49	6	12-68	25-36	38-04	50-72	63-40
55	50	5	15-46	30-92	46-38	61-84	77-30
56	51	5	15-09	30-18	45-27	60-26	75-45
57	52	5	14-73	29-48	44-19	59-02	73-65
58	53	5	14-37	28-74	43-11	57-48	71-85
59	54	5	14-00	28-00	42-00	56-00	70-00
60	55	5	13-64	27-28	40-92	54-56	68-20

Key:

1. Age of insured (in full years)
2. men
3. women
4. Period of payments (in years)
5. Monthly insurance payments (in rubles and kopecks) for additional pension in the amount of
6. 10 rubles
7. 20 rubles
8. 30 rubles
9. 40 rubles
10. 50 rubles

[Question] And if persons who have reached pension age decide to take back the money?

[Answer] They cannot demand back the entire sum if the period of insurance has expired: either the pension will be paid back on a monthly basis or it can be obtained for the entire year at one time.

[Question] How will it be for those who have reached pension age but have not stopped working?

[Answer] This does not concern us. As soon as the insurance period expires, we start paying the pension. For this it is necessary to present an identity card and insurance certificate.

[Question] We all want to live a hundred years but.... What will happen to the money in case of death of the insured person?

[Answer] His heir will receive a sum in the amount of six annual pensions less, of course, what was already paid in the form of the additional pension.

[Question] Vyacheslav Viktorovich, what additional information can be obtained where by all persons desiring to conclude an agreement with you.

[Answer] We, of course, hope for assistance from the press, but we ourselves are not idle. Shortly a brochure will be issued. We are putting out calendars, posters and prospectuses. Our agents, of course, are ready to answer any questions.

Long-Term Savings, Credit Options Discussed
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[Article by Yu. Kashin, doctor of economic sciences, professor and head of the USSR Academy of Sciences Finances, Credit and Money Circulation Sector, under the "SG" Discussion Club" rubric: "Where Should We Invest Our Money?"]

[Text] Moscow—A half century ago the English economist John Maynard Keynes "discovered" what he believed to be the fundamental psychological law of economics: as people's incomes increase, their reasons to accumulate become stronger than their motivation to consume. Keynes welcomed increased private savings, which he saw as the most active starting point from which an economy could grow in a variety of directions. Of course, the exploitative nature of the way private savings are used remained outside the bounds of his research.

Economists in our country have criticized Keynes' theoretical structures. But it would be better to embody this criticism in practical matters, such as organized production and the turnover of goods and money, which would indeed be aimed at meeting the needs of the population by all means possible and leaving to savings only the subordinate function of guaranteeing that these needs will be met in the future. In fact, do we really believe that our lives will be improved by merely increasing our savings?

Savings certainly have increased, and the turnover of our personal cash incomes has to a great degree proceeded much as Keynes predicted it would. By the beginning of 1986 the share of the population's spare assets (savings banks deposits) amounted to roughly 25 percent of the overall value of their property. The absolute extent of these percentages—almost a quarter of a billion rubles!—can easily jar the imagination. But there is of course nothing to rejoice about here. The country has not become richer merely because our savings-bank books have gotten heavier. Their "weight gains" reflect the degree to which our personal demands are unsatisfied, and in the scope of the entire economy, they reflect an inability to plan the physical and material proportions of the national economy, considering the formation of personal incomes and monetary assets funds. The right to do this is itself an extremely disturbing symptom if no one can say how the volume of the monetary mass should change within the turnover in a specific plan year or in the future. Problems such as these cannot be solved right before our eyes.

Our disproportions between supply and demand are particularly obvious when broken down by areas. According to expert calculations, the yearly cash revenues "lost" by rural residents in cities amount to R15 billion. Rural trade loses one quarter of its turnover due to the fact that the rural dweller has to spend his money in the city.

It has been a long time since the press mentioned the problems associated with balancing the cash turnover in the country's national economy. This peculiar "taboo" has been fortified as well by the extreme paucity of available statistical information: the last USSR Gosbank balance-sheet with monetary turnover indicators was published on 1 January 1937. It's as if the plethora of variations which have come into being since the above date, which deal with the subject of the spending mechanism (which was eliminated by the widespread use of expanded bank credit) have culminated in a "Jubilee of Silence".

Right now, following the June CPSU Central Committee Plenum and the publication of a packet of decrees dealing with improving the economic mechanism, the necessary conditions have been created for using the advantages of the money-and-goods relationship. But conditions are, after all, only conditions. We need to create, within the matrix of these conditions, a new kind of economic thinking, and to take into account the prerequisites of the objective laws which relate to the circulation of money.

We would like to remind those readers who are interested in the problems associated with a balanced turnover of cash assets of the publication dates of works by our authors on this theme: V. Perlamutrov—27 February and 3 March; V. Arkhipov—5 April; Sh. Sverdlik—23 May; V. Belkin, I. Nita and P. Medvedev—6 June; G. Bazarovaya—9 June; V. Kashin—5 August; M. Podnos—28 November.

The desired objective of planning the turnover of the population's monetary assets should be to balance not only its gross volumes, but its structure as well. In other words, any person of any nationality living anywhere must be given the opportunity to acquire locally almost everything appropriate to his way of life. Saturation of the demand market with goods and services is the central task associated with controlling the turnover of money as it relates to personal consumption.

To accomplish this, we of course need different planning indicators and criteria. What exactly is the present "plan for retail goods turnover", which has been set up, for example, for the republic? This plan is incapable of taking into account the real change in cash revenues for the period just ahead. It often happens that the retail plan for gross volumes is fulfilled, but that the disproportions in the cash turnover have grown even greater. What is the purpose of using these plans, which are crudely knocked-together and which control nothing?

In adapting itself to this plan in its purely gross and cost quantities, the republic is of course trying to reduce it a little. But directors and economic officials need to be called to account not for the gross figures (even if they are estimates), but for actually meeting the population's

needs according to their ability to pay. In other words, there is no need for people to take trips just to do some shopping. Everything should be available locally.

This is why I feel a new standard is absolutely necessary for controlling the process of circulating the population's incomes. Even if it is a standard aimed at realizing the population's monetary revenues as they relate to the volume of goods purchased and services paid for. This norm (and at the same time the valuation index) should force the republic's directors (at the kray, oblast and rayon level) to apportion their quotas for goods turnover for the subject elements to bring them into correlation with the levels of the population's monetary revenues, to see that the many-faceted consumer demand is met. For example, according to the way the demand is structured the population must be guaranteed that no less than R85 in goods and services will be available for every R100 of its income. The criteria for responsibility to the population must be totally specific.

I recently had occasion to visit the settlement of Talitsa, in the Moscow Oblast's Pushkin Rayon. In the stores which sold building materials, my attention was drawn to their high-quality non-standard items: a cement-glass slab for garden walks, tin pails, watering cans, lanterns, funnels, rain gutters and a great deal more. All these things were being sold by a cooperative which was set up recently with the backing of the local Soviet. This cooperative has already reached a turnaround of R100,000 and there are prospects for growth. The population's satisfactory degree of solvency has made it possible for the rayon administration to increase the amount of money being put into the local budget while at the same time solving another problem, i.e., their being able to do away with huge supplies of glass rubble and metal processing wastes from enterprises. Here, we see graphically how beneficially an administration can show its worth in terms of a single summarized commercial index via its money turnaround by using consumer demand.

Use of the normative method for planning the movement of the monetary mass will show clearly what is dependent on the local Soviets here and what depends on banks and financial organs.

Actually, it is the direct business of the ispolkoms of Soviets of People's Deputies at every level, who are responsible for observing the correct proportions (of the normative), for using the population's monetary revenues. But substantiating the indicator for the population's unrealized revenues and providing production incentives and economic circulation methods (financing, the advancing of credit and payments), are without a doubt the business of the financial and banking agencies.

The centralized administrative-pressure system of issues-office-style regulation which is now in force, and which acts as if it were taking care not to put a single ruble of ready cash into circulation, when this very same circulation is very quietly overflowing with billions of

rubles in investments, will very quickly have to yield to economic methods of controlling monetary circulation. The normative method seems to be precisely the way to solve the problem.

Let us now examine the savings process. No one has to be convinced that a savings policy should increasingly consistently reflect the social and economic essence of a population's savings as labor-derived monetary assets saved for the purpose of meeting payment-intensive needs and other needs. With these aims in mind, I feel it is extremely important that we orient our savings system towards contractuality as the most desirous mechanism for forming deposits and towards specific-purpose deposits as being an advantageous form of the savings process. There is a lot here for the specialists of the recently formed Sberbank, Zhilsotsbank and other banks to think about.

CONTRACTUALITY—Is the accumulation of a deposit as per a contract with a bank when the saver, who is encouraged by the benefits, begins to deposit the same amount for a prescribed period. Then, the bank also takes control of people's future revenues and strengthens the base of the real percentage policy.

SPECIFIC-PURPOSE DEPOSITS—Is a form of the population's own democratic initiative to finance its needed social programs.

Imagine that the local bank department encourages savers to deposit money under certain conditions for the purpose of implementing programs proposed by the local Soviets, for installing a telephone system in their home village, building a water-supply system in the village or constructing pre-school facilities or sports complexes. What depositor would refuse to collaborate in this with the bank?

Imagine that the bank encourages them to use their deposits to finance increased production of passenger cars, granting them the right to acquire said cars through an individual order. Who would turn down an invitation like this?

One unique way to deposit money would be to mobilize a worker's personal assets into an enterprise's development fund along the lines of shared participation in an anticipated profit. Need we mention how the rubles deposited into the general business will stimulate the personal labor yield of the shareholder? The "feeling of being one's own boss" is a concept which is, for him, by no means figurative.

The chairman of a cooperative in Talitsa asked me quite reasonably why we are looking to banks for credit for the cooperative? Why not suggest to the population that they deposit their money into the cooperative's account in the

savings bank or into a local department of the bank? This way, the savings bank (bank) gets part of the cooperative's profits and the depositor gets his part as a percentage.

To date we know of isolated forms of these mutual relations between enterprises and cooperatives. It is now time to work up a somewhat bolder commercial experiment, which we need and which is mutually advantageous.

An innovation like specific purpose deposits still remain to be "taste-tested" by our new banks. But we shouldn't be too slow in doing this. What we need to do, finally, is to give savers a chance to have an active influence on the ways their assets are used.

The percentage policy must also be subordinated to the tasks associated with systematic control of the savings process. Those forms of saving requiring little administration, i.e., deposits to be called for, or time deposits, or deposits stimulated for the year at an average custody period of 6-7 years, should hardly be encouraged. The interest rate for other deposits which are subjects of specific-purpose saving, should be differentiated, for example, depending on the life of the depositor's contract with the bank and on the condition of the commodity market.

Certificates of large face value (up to R10,000), which are quite convenient for the depositor, but which bear no interest, can be issued for those savers who intend to

keep their deposits at home or to choose their own large-sum deposits. A bank's high face value greatly reduces the expenses associated with the circulation of money.

Long-term consumer credit, for example, to acquire a passenger car or build a home, can be used to good effect in the future to facilitate balancing of the population's cash revenues and expenditures. In so doing, it would be convenient to plan on bringing a portion of the population's future income into circulation, and thus stimulate highly-productive labor for a long time to come. The limits of this credit should definitely be extended: those who work honestly and live according to the law should be allowed to acquire prestige or scarce goods.

But what are we to think of those large deposit accumulations which are of doubtful labor character? The suggestion has been made to "extort" them by raising retail prices. This is certainly not the best way, for even when "smooth" wage increases are introduced, no increased price is selective, and it puts the resolution of the problem of the "high incomes" earned by unlawful means on the shoulders of the entire population.

Within the framework of the program now being set up to bring our economy to a state of financial health, normalizing the circulation of the population's monetary assets is a matter of extreme importance. If we achieve the required money and goods balance in the near future, we will be able to say with assurance that none of the other problems associated with developing our economy will prove difficult to us.

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ENERGY COMPLEX ORGANIZATION

Complaints Voiced over Radiation Monitoring Equipment

18220060 Kiev *RABOCHAYA GAZETA* in Russian
12 Jan 87 p 3

[Interview with P.A. Livertovskiy, chief of the Dosimetry Equipment Repair Section of the Kombinat Production Association, by A. Barannik, staff worker of the Information and International Relations Section of the Kombinat Production Association (Pripyat): "A Look at the Invisible"]

[Text] It is known today, perhaps by everyone, that radiation cannot be seen or heard and that man's sensory organs cannot "record" it. All over our whole planet there is a natural radiation background—more in some places, less in others— which does not bring us any discomfort or unfavorable sensations. Radioactive radiation is used for diagnosing illness (and often for therapy). In these cases radiation is our friend. But today, and especially after the accident at the Chernobyl AES, the word "radiation" is often perceived as a synonym for the word "enemy." Actually, in heightened doses, radiation is dangerous to health, and greater doses are fatal.

Right now thousands of people are working in a 30-kilometer zone around the Chernobylskaya Nuclear Power Station; they are engaged in eliminating the consequences of the accident. Among them are workers of the Dosimetry Monitoring Administration, whose responsibility it is to perform a constant "diagnosis" of the radiation situation in the zone. Success of the overall matter depends upon their skill in observing "dirty" spots in time. Special instruments help them "to see" the radiation. Without them, the UDK [Dosimetry Monitoring Administration] workers are like blind and deaf people.

Today the chief of the Dosimetric Equipment Repair Section, P. A. Livertovskiy, discusses certain aspects of the work of the dosimetry operators.

[Answer] The activity of the Dosimetric Monitoring Administration is vast. Mainly, it is that of constant monitoring of the radiation situation in the 30-kilometer zone, which ceases neither day nor night. Instruments installed in the most varied places in an area of almost a thousand square kilometers and joined into a unified measuring ASKRO [automated system for monitoring the radiation situation] help to keep an eye on it. Regularly, at definite time intervals, information from the instruments is consolidated into one mass and carefully analyzed.

The second task is organization of individual dosimetric monitoring. Each person who works within the 30-kilometer zone is required to have a special dosimeter—an accumulator, which shows the amount of irradiation. Right now a permissible norm, which has

been adopted at all nuclear-power stations, has been established for all who work here. The administration of enterprises and public-health organs follow up strictly on how workers use the accumulators. Those who have exceeded the irradiation dose are removed from the zone.

A no less important task is organization of dosimetric monitoring on roads and railroads for transport that departs from the 30-kilometer zone, and at places where people concentrate in large numbers—at dining rooms and at communicating enterprises and organizations. Still other instruments are needed here—those that are very sensitive, capable of instantaneously diagnosing the degree of contamination of a motor vehicle or a person. Well then, the section that I supervise is engaged in the repair of all the dosimetric equipment.

[Question] And it often goes out of order?

[Answer] I do not say that about all types of instruments. The field dosimeter, for instance, serves reliably. It was especially irreplaceable in the first period after the accident. Right now, when the dosimetric indicators have been reduced repeatedly, others are necessary—those with sharper "hearing," instruments that can record the most insignificant radiation levels. Unfortunately, as before, there are not enough of them, and it is the same for broad-spectrum instruments. Certain foreign instruments have proved themselves well enough, but they serve until the first breakdown—there are no spare parts. Over and over again we come across a situation where our foreign-trade organizations, having purchased good equipment with hard currency, are slow in concluding agreements about spare parts delivery.

In general, spare parts are the main problem of our service. And it seems that it is not only the imported instruments but also our own. Because of minor parts, which are not ordered in time by the supply people of the Kombinat Production Association, we have stopped the repair of some kinds of instruments. We get out of the situation as soon as we can—we wheedle them out of our colleagues at other stations, and we dismantle the old instruments.... This, of course, is not the way to do it.

Not only the supply people but also enterprises of the Izotop All-Union Production Association, which produces dosimetric equipment, have turned out to be sluggish. Right now practically all types of instruments are being used in the 30-kilometer zone, but the wide variety in this case does not at all guarantee excellent quality thereof.

The time has come when it is necessary to produce unified and reliable dosimetric instruments that are simple to operate. The accident at Chernobylskaya AES and experience in the operation of dosimeters in order to eliminate the consequences of it has confirmed this once more. A most serious, most cruel lesson, it would seem, has been presented—with the atom, jokes are in poor

taste. But.... Strenuous months of struggle with the consequences of the accident have passed, the situation has been stabilized, and gradually the fine decisions to increase the production of dosimetric instruments and to raise their quality have begun to be forgotten. Both the designers and the manufacturing enterprises have proved to be unflappable.

[Question] The problems that you speak about are very severe, and their solution has been intolerably protracted. But, as I have been told, your engineers have shown their initiative and inventiveness. They have not been waiting until industry arranges for the output of a new generation of dosimetric equipment, but they themselves have proposed a number of instruments....

[Answer] They have not only proposed them but have even made them with their own hands. Primarily, there is an installation for dosimetric monitoring of clothing of the station's personnel who are returning after a shift in the rotating-duty village of Zelenyy Mys. The advantage of our instrument over serially built ones is the responsive reaction to radiation misfortune. Now people do not congregate heavily at the portals during shift change or in the dining room at the mealtime break in order to pass through dosimetric monitoring.

[Question] Yes, I saw these posts in one of the Chernobyl dining rooms. Actually, they are very convenient. Why do you not draw up a patent on them?

[Answer] You see, not everything is so simple here. In the first place, these instruments were "thought up" by engineers of the Institute of Nuclear Research of the U.S.S.R. Academy of Sciences. Second, our own enthusiasts and those of the institute are engaged in this work—actually it has social origins. Third, the Kombinat Production Association, which includes our administration, up until now has no office of innovation and invention. And one is necessary not only for our administration but also for other subunits—indeed, many talented specialists who were dispatched here from various cities of the country are working in the 30-kilometer zone. One can meet with original engineering solutions and innovative thought at literally every turn. It is a pity if all this will be of one-time use and then it will be forgotten and someone else will have to invent all over again that which is already working successfully but is not formulated officially and on paper anywhere.

This is still timely also because recently, numerous commissions and inspectors have appeared which looked with surprise at the equipment that we built and put the usual correct questions: does it meet Gosstandart's requirements, with which of the higher authorities was it coordinated, and so on. And this is natural: there are simply no counterparts of our instruments. Meanwhile, official conclusions of competent experts about the technical and also the economic effectiveness

of the operation of our equipment are necessary. For many of the instruments can be used successfully at the country's nuclear power stations.

[Question] The Administration for Dosimetric Monitoring moved long ago from Chernobyl to the city of Pripyat. What provoked this transfer? Was it justified?

[Answer] Where the UDK workers have been operating, enough decontamination work has been done to insure that there is no real threat to their health. And from the point of view of interest in the matter, this is the optimal variant. In Pripyat the prerequisites for the installation of computer equipment and an ASKRO set still exist. Suffice it to say that the length of the cable network from here to the AES's industrial site is severalfold less than from Chernobyl. In brief, conditions for effective monitoring of the radiation situation will be even better.

11409

ELECTRIC POWER GENERATION

Ryazan MHD Power Plant Construction Lag Criticized

18220059 Moscow SOTSIALISTICHESKAYA
INDUSTRIYA in Russian 8 Jan 88 p 2

[Report by SOTSIALISTICHESKAYA INDUSTRIYA special correspondent V. Belov: "A Costly Routine"; first paragraph is introductory]

Moscow—A group of workers at the MGD-elektrostantsiya [Magnetohydrodynamic (MHD) Power Plant] Experimental Enterprise has asked SOTSIALISTICHESKAYA INDUSTRIYA to look into the activity of their enterprise and its administration, headed by manager D. Burenkov. And the OP MGDES [MHD Power Plant Experimental Enterprise] management did not like this very much. A general meeting of the enterprise, called urgently in accordance with the manager's instructions, adopted a resolution approving "the management's activity and its policy for restructuring" and suggesting that "steps be taken against the slanderers" who supposedly defamed a model collective. "Those who wrote this letter are also the foes of restructuring!" D. Burenkov proclaimed passionately at that meeting.

To our amazement, the MGDES Experimental Enterprise had established itself comfortably in the USSR Ministry of Power and Electrification system in its roles as a client for construction of the Ryazan MHD Power Plant and a manager of the Dzerzhinsk Experimental Production Facility for Refining Fuel. In the report entitled "Shouldn't We Call the Public Prosecutor?" in May 1987, our newspaper wrote about what was going on in Dzerzhinsk with the silent blessing of the OP MGDES. D. Burenkov got off with an ordinary reprimand then.

Now a storm has developed over the new Ryazan power project. It turned out that the magnetohydrodynamic station which "has no world equal" (indeed!) is being built without even a detail design or technical specifications for the MHD generator itself. And there are none because they have no basic scientific and technical data to develop a superconducting magnetic system and a standard MHD channel—the heart of the generator, systems for controlling it and for protection against accidents, or diagnostic instruments. And no one knows when they will have them. No one is clear about this—neither the customer nor the general developer—the High Temperatures Institute of the USSR Academy of Sciences (IVTAN). Although the Ryazan MHD Power Plant should be put into operation in 1989, according to the plan. No one has any doubt that this is unrealistic, and that commissioning it in the next few years is unrealistic as well. That is, an immense project costing nearly a half billion rubles was begun virtually with scientists' word of honor as long ago as the 1970's that they were prepared to give the country "the most efficient power" and that they would be the first in the world to usher in "a new era in power generation." What can we say here? There is no question that the method of directly changing thermal energy into electrical power is very promising, but there has been a major problem here since the start of the "new era."

An expert commission of the GKNT [State Committee for Science and Technology], which found certain economic incongruities in the plan for an industrial magnetohydrodynamic plant to be rather strange, dampened the ardor of those at the IVTAN as well. Although the power-generating unit will provide fuel economy of 11 percent (and this is a great deal, we must say!) according to estimates, it will be greatly inferior to modern steam-turbine plants in many other indicators. Even the production cost of a kilowatt-hour will be twice as much as the average indicator at thermal electric power stations.

But if that is so, just where is the "most efficient power?" And what shall we do with the Ryazan plant then? And probably because they saw no other alternative, the expert commission proposed that it be shifted to the experimental-industrial category for further "improvement" and "perfection." And this is a project costing a half billion rubles? The question arises: would it not have been somewhat less expensive if nothing had been found to "improve" and "perfect" before putting money which the state cannot spare at all into a cyclopean structure with mythical stuffing which "has no world equal?"

But whom do we ask? The IVTAN? But the IVTAN itself, as the one which scientifically inspired and conceptually organized construction of the plant, has already spent about 300 million rubles for research on the MHD method, and has not "perfected" it for industrial power generation. Did the USSR Ministry of Power and Electrification ring the departmental bell without looking at the scientific research and design calendar? It is futile—nearly the entire management there has been

replaced, and the present leaders, according to Deputy Minister A. Dyakov, agree completely that "construction of a plant of this size for this purpose was begun at one time without critical assessment of the test results and prospective technical and economic indicators."

But after these two whales, what can we demand of the small fish—the MGDES Experimental Enterprise? It is only a client on behalf of the USSR Ministry of Power and Electrification, a kind of intermediate link which, while not on the fringe, is not in full view either. However, the financing of all operations in the country related to the development of a magnetohydrodynamic power plant goes precisely through it, and this means something...

But stop! Why is an "experimental enterprise" here then? And why is its manager assigned as a chief designer by order of the Ministry of Power and Electrification? Perhaps this organization is carrying out the functions of a developer as well as the functions of a client? As one entity? In accordance with the principle: I order myself, I develop myself, and I pay to myself?

Imagine, this is the way it is... And this throws light on many things—particularly on the selection and placement of personnel at the enterprise, on the low level of organization in scientific work, on the poor results of the experimental MHD installation's test start-ups that are being conducted, and in the final analysis, on the sad state of affairs in developing an industrial MHD generator.

Let us say frankly that such a fascinating mechanism of self-financing, and what is more, the extensive lack of exactingness and complete absence of control by the Ministry of Power and Electrification and the Glavtsentrenergoproekt [Exploitation of Power Systems of the Center Main Administration], which farmed out the problems of an MHD power plant to an "experimental" customer, could not contribute in any way to intensive research work, of course. And while those in the ministry still do not realize that their experimental enterprise has been making no headway for many years now, spending incredible sums of money without any appreciable return, this has been clear for a long time to specialists in the field of MHD power engineering. In its financially favorable situation, the experimental enterprise has lost all interest in intensive research and makes no demand of the general developer, the IVTAN, either.

If this were not so, they probably would not have tested only two types of electrode walls [stenki] for the MHD channel in about 10 years, but they would have searched in all possible directions for promising materials. And materials technologists from the appropriate institutes and other organizations capable of resolving the problem would probably have been involved in this work a long time ago. But the OP MGDES has no desire to involve "outsiders" in its work: they weren't born yesterday, they say...

But it is also an "old" problem. In over 20 years of testing the MHD channel on the experimental "U-02" installation, they have not once succeeded in extending its operation beyond 150 hours. The structure and materials of the channel fire walls (ognevyye stenki) for a standard MHD generator should withstand a continuous load for 2,000 hours. There is a difference!

There was also an 850-hour start-up recently. The enterprise management, as well as the IVTAN, are representing this as a great achievement today. Compared with the data that were obtained on the same type of channel in 1980-1986, there are no new data for verification of this figure. Moreover, 850 hours of operation from 12 pairs of electrodes could scarcely be maintained by only one pair, even with a light load (shchadyashchiy rezhim nagruzki), which is far from the installation's rated capacity. Specialists came to the conclusion long ago that the type of channel being tested is not suitable for use in a standard industrial MHD generator. But there were no other materials for the channel's fire walls and there was no other design, and they again deliberately began a hopeless experiment that is unnecessary for science or practice. But it is urgently needed by the management for the sake of reporting, for the sake of figures! This "experiment," which always can be justified by the interests of science, which requires sacrifices, as we know, cost a little over 400,000 rubles...

Should we ask the management of the OP MGDES what sacrifices are necessary, aside from the financial ones, when about 40 tons of the most toxic substance—potash, used in the MHD installation as a fuel additive—were discharged into the Moscow River during this latest experiment? And in general how much potash was discharged into the river over the years of experiments with the "U-02" installation? The public health center which investigated this disgraceful practice at the newspaper's request told us that there aren't even any standards for the maximum permissible concentration of this substance for open reservoirs and drain systems, inasmuch as discharges containing potash are categorically prohibited. The discharges were carefully concealed at the OP MGDES.

And here is another sacrifice, as an example: the new equipment gathering dust for 3 years—the television equipment for observing and recording the processes taking place in the MHD channel and two video recorders for it, which cost 24,000 rubles. Meanwhile, a bonus

for introducing (!) this equipment was received in full, of course... And many other such sacrifices supposedly were put on the altar of science by the humble experimental enterprise.

Altogether, 240 persons are employed here, and 70 of them are supervisors. The manager has three deputies and the chief engineer has a deputy; departments of 15 to 17 persons have a chief and two deputies and two or three section chiefs. It is not for us to judge the competence of these individuals, but here is just one fact: V. Chernyy, one of the manager's deputies (he is the party organization secretary) has no higher education at all. Secondary education probably is enough... In any event, the manager is satisfied, so what else is necessary? There are dozens of real specialists in the MHD field, thank goodness, and that is good. But they all are engaged in paper work which can be carried from the manager to one performing the work in 5 minutes but which takes a week to come down the official ladder. In order to answer some unexpected question in some conference at the top, the chief of the MHD generator department takes a specialist with him who knows what to answer. And in the high-temperature installations department, they have been generally "working" by the sweat of their brow—looking for something to put their hand to, and so forth...

And the wages keep dropping and bonuses are not being passed around— isn't this life? An atmosphere of complacency, an undemanding attitude, and unscrupulousness could not help but develop and flourish in such a life, naturally. Hence the stereotype of conduct—sit quietly, don't show your face, don't say a word against the chief, everything is all right here, and you look at the storm which has developed around the Ryazan Magneto-hydrodynamic Power Plant and it will pass by.

That is the position! Like a coverup. And anyone who has the least doubt about the innocence of the administration and its collective is washing dirty linen in public—a deliberate enemy and slanderer!

Incidentally, the writers concluded their letter to SOTSIALISTICHESKAYA INDUSTRIYA with the words: "If manager D. K. Burenkov is indignant because of our words, which cast a shadow on his 'good' name, and he accuses us of slander as well, he has the right to call the public prosecutor."

A sensible view, Dmitriy Konstantinovich! Only it seems to us that you will not call. And you are well aware why.

8936

LABOR

Initial Results of Wage Reform Observed

18280004a Moscow SOTSIALISTICHESKIY TRUD in Russian No9, Sep 87 pp 3-4

[Unsigned article: "First Results of Wage Reform"]

[Text] Just one year ago, the CPSU Central Committee, the USSR Council of Ministers and the AUCCTU adopted the decree on introducing new wage conditions in the national economy's production sectors. For the first time in our experience, wage rates and salaries are being raised on an essentially new basis—with money earned by the labor collectives themselves. We are basically dealing with a radical restructuring of the entire organization of wages and payment of bonuses for the purpose of having these important elements of the economic mechanism more actively influence its effectiveness.

The introduction of the new wage conditions is a most important social and economic measure of the 12th Five-Year Plan. How is it being carried out?

More than 2,000 associations, enterprises and organizations employing more than 2 million persons have been transferred to the new principles of remuneration of labor.

Preparations for introducing the new wage rates and salaries on a new economic basis through the agency of one's own funds have stimulated a search for reserves to raise production efficiency. It is significant that wherever this work has been carried out above-plan labor productivity growth was attained, brigade cost accounting and the brigade contract were extended, the management structure was significantly simplified and work on mechanization and automation of production processes was speeded up. All this must be done in close linkage to the transfer of enterprises and sectors to full cost accounting and self-financing.

In those ministries where preparatory work is being carried out in an organized manner, it is planned in the course of 1987-1989 to transfer to the new wage conditions the majority of jurisdictional enterprises (80 percent or more). They include the USSR Ministry of Electrical Equipment Industry, the USSR Ministry of Machine Building, the USSR Ministry of Petroleum Industry, the USSR Ministry of Construction, Road and Municipal Machine Building and the USSR Ministry of Chemical Industry. At the Ministry of Electrical Equipment Industry, for example, a comprehensive plan of measures ensuring a sufficiently high level of preparation has been worked out. Base enterprises were selected for each subsector. Taking their specific character into account, a schedule was set up for the introduction of the new wage conditions, and a revision is planned of more than 80 percent of the books on norms and standards.

As a result of putting into operation new incentive levers, the USSR Ministry of Petroleum Industry has managed to overcome persistent stagnation occurrences in the sector. For the first time in recent years, the decline in labor productivity not only came to a halt at many enterprises, it even grew although there was no improvement in the geological-mining conditions. Production cost dropped and petroleum extraction grew. Preparatory work relative to the transfer of wages to the new conditions constantly remains under consideration by the central commissions. For the purpose of extending assistance to enterprises, 10 work groups were created in the ministry on the main directions of operation and base enterprises were determined in each subsector. Personnel of the ministry, the trade union's central committee and the sectoral economics institute were sent for checking on and providing assistance to provincial organizations.

The development of measures for raising production efficiency and improving labor organization and its pay begins in this sector directly in the lower collectives: in brigades, sectors and shops. Special attention is paid to finding jobs for released people. In this work, local labor organs participate directly. Only after full job placement of workers does the ministry embark on examination of materials relating to transfer. Minister Vasilii Aleksandrovich Dinkov personally exercises direct supervision of this work. Today 568,000 persons, or 70 percent of the number subject to transfer, already work in the sector or have received permission to work under the new wage conditions. At the same time, 70,000 persons have been released. According to the schedule worked out by the ministry, more than 90 percent of the workers will be transferred to the new wage conditions, the rest in the first half of 1988.

At the same time, preparatory work in a number of sectors is dragging (the USSR Ministry of Power Machine Building, the USSR Ministry of Heavy, Power and Transport Machine Building, the USSR Ministry of Construction, Road and Municipal Machine Building, the USSR Ministry of Machine Building for Light and Food Industry and Household Appliances, the USSR Ministry of Construction Materials Industry, the USSR Light Industry and the USSR Ministry of Coal Industry). The state of affairs is particularly worrisome at USSR Gosagroprom. Only the oblast agroindustrial associations have most of the normative documents, RAPO only partially. For all practical purposes, many documents still have not reached sovkhoses and enterprises. As a result, even economics and leading specialists of many farms and rayon agroindustrial associations have no knowledge of the new pay principles and methods of introducing them. The USSR Ministry of Ferrous Metallurgy, the USSR Ministry of Gas Industry, the USSR Ministry of Geology and others have not gotten to enterprises all the normative and methodological materials. In the work of the central commissions of certain ministries (the USSR Ministry of Power and Electrification, the USSR Ministry of Timber, Pulp and Paper and

Wood Processing Industry, the USSR Ministry of Automotive Industry and others) formalism is displayed, the materials are examined as a rule without going to the enterprise, which casts doubt on the objectivity of evaluation of readiness for the transition.

At the USSR Ministry of Automotive Industry, for example, the ministry's collegium examined these questions for the first time only on 3 June 1987. As a result, major errors are made at enterprises. At the sector's headquarters, a purposeful search for the necessary funds has not been initiated. For a long time, a number of enterprises of the bearing industry, instead of mobilizing labor collectives to look for and utilize internal reserves, are engaged in calculating how much to ask in additional funds from the state budget for the introduction of the new wage conditions. And this is not surprising. The fact is that the central commission which was called upon to head this work and provide practical assistance to enterprises, remains inactive. At the same time, the sector has experience in serious work relating to the introduction of progressive organization of labor pay and the introduction of the new wage rates and salaries as, for example, at the AvtoBAZ Association.

Organizational work is proceeding insufficiently actively on the whole at enterprises belonging to ministries of republic subordination.

The noted defects are all the more intolerable at base enterprises where methodological and organizational principles of looking for and utilizing intraproduction reserves have to be worked out. After all, this could result in making and passing on mistakes to other of the sector's enterprises. At the same time, a number of ministries, in particular the USSR Ministry of Power and Electrification, the USSR Ministry of Nonferrous Industry and the USSR Ministry of Timber, Pulp and Paper and Wood Processing Industry, have formally approached the selection of base enterprises. A check of the Novgorodlesprom Production Association and the Kondopoga Pulp and Paper Combine showed that no concrete aid was provided these enterprises by the ministry's central commission and sectoral institutes, and they were called base enterprises solely because they are changing over to the new rates and salaries prior to others.

The basically new approach to improvement of pay organization found in the decree, as already noted, creates qualitatively new conditions for raising production efficiency and directs enterprises and organizations to the solution of priority tasks of economic construction, first of all acceleration of labor productivity growth. For example, in railroad transport, primarily because of the introduction of the new rates and salaries during the current 5-year plan, labor-production growth will be 20-22 percent, that is double that designated by the 5-year plan. At enterprises of the BSSR Ministry of Communications, labor productivity grew 19.5 percent from the time of conversion to the new pay conditions.

At the Nizhnevolzhskneft Association, above-plan growth of labor productivity amounted to 10.1 percent. At practically all the construction trusts, where careful preparation was carried out, above-plan growth of labor productivity was assured.

At the Magnitostroy Trust under conditions of a planned growth of labor productivity of 3.7 percent, actual growth was 13.5 percent and at the Yuzhdorstroy Trust—10.4 percent.

Experience shows that the search for intraproduction reserves speeds up scientific and technical progress and results in improved labor organization and norm setting and reorganization of the wage structure. On the Belorussian Railroad, the rate of introduction of new equipment and technology, efficiency proposals and inventions after going over to the new rates and salaries grew almost threefold. In the collective of the Kiev Elektronmash Production Association imeni V.I. Lenin in the course of preparatory work they emphasized mechanization and automation of production processes, engineering and administrative work. The management structure was radically changed and a policy set of creating engineering and production complexes and extending brigade cost accounting. This made it possible to significantly reduce labor intensiveness. Labor productivity will grow by almost 20 percent this year.

However, intraproduction reserves are used properly far from everywhere and far from always. Thus at a number of enterprises in Estonian SSR haste is displayed and the changeover to the new rates is not accompanied by requisite preparation. It is perfectly obvious that under such conditions wage restructuring is carried out formally and technical, organizational economic and social factors and reserves are not used in depth. At some of the republic's enterprises, they were unable to overcome the temptation to change over to the new rates and salaries in a most simple way, namely by a change in the wage structure. Such facts were noted at stations of the Odessa Railroad, at enterprises of the Ukrainian SSR Ministry of Motor Transport and at some enterprises of the machine building ministries.

Introduction of the new wage conditions is impossible through some single source. A complex of measures is required. We are dealing with restructuring production, raising its technical level and quality of manufactured products and securing on this basis additional production volume. Development should take place of the collective contract, holding of two jobs, expansion of area of service, improvement of management, reduction of superfluous links, serious improvement of labor norm setting, revision of the wage structure and elimination of unjustified additional pay, pay increases and unearned bonuses. In putting these factors into full operation, boosting the effectiveness of certification and rationalization of work and scientific, in the true sense of this word, labor organization and carrying out the necessary explanatory work in order to involve everyone in the

search for reserves in growth of labor efficiency, it becomes possible to count on successes in this important work. Of course, in different collectives the relative share of these sources will differ, but a serious approach to each of them must be made everywhere.

The decree provides that each category of personnel earns the money for the changeover primarily through raising the efficiency of its own work. However, in many cases this important requirement is grossly violated. The USSR State Committee for Labor and Social Problems and the editorial office of the journal SOTSIALISTICHESKIY TRUD receive alarming signals and letters from enterprises of different sectors of industry, from construction ministries and from a number of regions and republics, particularly from Uzbekistan and Kazakhstan, Tatariya and Bashkiriya, Voronezh and Kuybyshev oblasts and other places to the effect that attempts are being made to raise the pay of managers, specialists and employees not because of improvement in their work but through an unjustified massive reduction of rates and skill categories of workers. Such cases have been noted at the Lvov Elektron Production Association, the Taganrog Head Special Design Bureau and at a number of other enterprises. What sort of stimulation of a worker's labor and social activity can one speak of where formerly the person received a salary, pay increase and bonus but now earns the same amount but solely in the form of a salary?

One of the most important criteria of preparedness for the changeover to the new wage conditions, and this has already been demonstrated by the experience of enterprises, are measures for improving labor norm setting and its qualitative improvement. There where serious attention was paid to this work and where it was conducted in combination with organizational and technical measures, they managed to significantly reduce transition time to the new rates and salaries. At the same time as a result of improved norm setting more than 40 percent of the necessary funds were secured. For example, at the Nizhnevolzhskneft Association, more than 32,000 time (output) norms established for piece-rate workers were reviewed. At the Nikopol Crane Building Plant imeni V.I. Lenin, production labor intensiveness was reduced more than threefold compared to the planned target. Output norms for individual forms of work were boosted 40.3 percent with a 20.6-percent growth of average wage rates. For stimulation of introduction of technically based norms, the use of higher piece-rate pay was widely practiced at the enterprise.

Nonetheless, checks show that instances of a formal approach to labor norm setting occur frequently. The revision of norms is being carried out without reference to improvement of technology or improvement of labor organization. Thus at the Kharkovskiy Motorstroitelnyy Zavod "Serp i Molot" Production Association, the Rostov Fashion Shoe Factory and a number of other enterprises, output norms were changed mechanically for all jobs by the same percent without a preliminary

check on the quality of operative norms from the point of view of their validity and correspondence between intersectoral and sectoral norms. At some enterprises the output norm continues to be a means of deriving high pay without a due labor return. For example, at the Tallinn Production Association of Radioelectronic Equipment, the wages of some categories of workers are in excess of 400 rubles as a result of employing exaggerated output norms. Even after transfer to the new wage conditions, output norms are overfulfilled 30-40 percent. The same sort of facts were found at the Salvo Plant of the Ministry of Local Industry of Estonia and other republic enterprises. This is artificial oversized setting of wages!

The regrouping of job rates in accordance with the requirements of the new rate and qualifications manual is being done in many cases not strictly individually for each worker and type of work but mechanically, by and large indiscriminately.

The introduction of the new rates and salaries should not act as a punishing sword, but this is not heavenly manna. The purpose of this action is to strengthen the socialist principle of remuneration of labor and to create the possibility of a creative growth of workers of all occupations and of specialists. In regrouping job rates, it is necessary not only to revise earlier artificially high categories but also to distinguish workers of truly higher skill engaged in more difficult work and operating with specially complex equipment. This, however, has not taken place so far. The heads of many machine-building enterprises have not made use as yet of the right granted them to assign categories VII and VIII to adjusters, instrument makers and other high-skill workers directly affecting acceleration of scientific and technical progress. In sectors of heavy industry non-category rates are not used. In the period of transition to the new rates, extra pay for vocational skill is being sharply reduced.

Today it is very necessary to increase material responsibility everywhere for work results. Such a mechanism is provided by the decree. However as shown by checks, this lever has practically not gone into effect in the localities.

The introduction of a basically new mechanism of compensation for work conditions is extremely important. Heads of associations and enterprises for the first time received the possibility of independently differentiating pay depending on real conditions at each work station. Knowledgeable managers use fully the rights granted for installing order in this important area. As a result of improvement of work conditions, the number of people receiving extra pay is being reduced. At the same time, this has been approached formally at many enterprises: instead of certification of work stations on the basis of work conditions, they simply took the old standard lists of harmful and difficult occupations and established on this basis not differentiated but maximum sizes of extra pay for all workers.

Another extreme situation exists where in the period of introduction of the new rates, unjustifiably low extra pay is established because of limited funds. This evokes justified criticism of workers. Such cases have been recorded at enterprises in Azerbaijan, Estonia and Moldavia. The state of affairs is particularly disturbing at the USSR Ministry of Grain Products. Here without any evaluation of work conditions at work stations, extra pay was arbitrarily established for all workers: 4 percent in Lithuania, 8 percent in Kazakhstan and 12 percent in Latvia. This is a crude distortion of the crux of the decree and violation of the principles of social justice. The main thing is that jobs with difficult and harmful work conditions are still slow in being eliminated. Instead of radically improving work conditions, a number of ministries as before bring to the forefront the question of establishment of benefits for workers. Thus, the USSR Ministry of Instrument Making, Automation Equipment and Control Systems, the USSR Ministry of Shipbuilding and the USSR Ministry of Civil Aviation without the agreement of the USSR State Committee for Labor and Social Problems and the AUCCTU established pay on the basis of higher wage rates for jobs not included in the Standard List of Jobs for which extra pay for work conditions can be established. The USSR Ministry of Electrical Equipment Industry, for example, considers it necessary to introduce extra pay in cold stamping of parts weighing up to 5 kg. There are a large number of other comparable cases that cannot be tolerated.

A central question is the wide introduction of progressive forms of labor organization and pay, first of all collective and brigade cost accounting. It is contemplated that by the end of the 5-year plan cost-accounting and contract collectives will become the basic form of labor organization. But at the same time, the heads of a number of ministries, departments, associations and enterprises are in no hurry to take advantage of the rights of introducing themselves the contract principle of work without preliminary agreements and authorizations. Thus the share of workers in cost-accounting brigades amounts to only 19 percent at enterprises of the USSR Ministry of Machine Building for Light and Food Industry and Household Appliances and about 25 percent for the USSR Ministry of Medical and Microbiological Industry. As for the workers of contract collectives, in the overwhelming majority of industrial ministries they comprise only 0.5-4 percent of the total number. This is all the more objectionable since the introduction of progressive forms of labor organization and pay provides the possibility of raising its efficiency without any significant outlays.

The decree provides for the introduction of a qualitatively new mechanism for the pay of specialists and employees whose basis is an increase in differentiation of earnings depending on the work contribution, an increase not only in personal motivation but also responsibility of workers and growth of the role of certification in assessment of the labor contribution of all categories of personnel—managers, specialists and employees. The

changeover experience shows that there where the approach to this work has not been formal, the new pay system has contributed to raising the level of organization of management. At many enterprises of the USSR Ministry of Instrument Making, Automation Equipment and Control Systems, the USSR Ministry of Machine Tool and Tool Building Industry, the USSR Ministry of Radio Industry, the USSR Ministry of Petroleum Industry, the BSSR Ministry of Automotive Industry and construction organizations, a real restructuring has been carried out of the structure of production management. Structural subdivisions were amalgamated and on the basis of elimination of duplicating functions, a significant portion of the personnel of the administrative apparatus was released. On the basis of certification of personnel, salaries of the category of specialists were determined in a differentiated manner.

Unfortunately certification frequently continues to be a formal measure and does not secure the requisite results. Verification has shown that at each third enterprise transferred to the new wage conditions or receiving permission of the ministry for this no provision was made for the reduction of superfluous elements of management and valid size norms are not being introduced nor are official and functional duties of specialists revised. Their categorization does not meet the requirements of the new qualifications handbook. The certification commissions poorly determine work qualities of personnel, distinguishing them by occupational level on the basis of complexity and responsibility of performed work. This does not provide the possibility for a corresponding differentiation of their pay.

Many ministries do not duly ask of heads of enterprises concerning the state of work on special certification of personnel or about leveling in evaluation of results and pay. Requirements and the procedure of carrying out certification are being violated at enterprises of the Estonian Ministry of Fish Industry, at the Pykhyala Plant, at the Slantsekhim Production Association and at others. But the Tallinn Prompribor Production Association has noted cases where specialists with secondary education are from the outset conferred an engineer's first qualifications category. Cases are frequent where, based on the results of certification of specialists, pay for all is raised 20-30 rubles without taking into account qualifications or the labor contribution. Thus at the Kharkovskiy Motorstroitelnyy Zavod "Serp i Molot" Association salaries were set for most specialists and employees at the minimum level according to the scheme. Similar deficiencies were permitted at GPZ [State Bearing Plant (?) No 4 and at a number of other enterprises and organizations of the Moscow Railroad and other studied enterprises. This does not permit, as provided by the decree, improvement in the correlation of pay of workers and specialists. At many enterprises, the average percent of wage increase turned out to be the same and in some cases lower than for workers. Yet the goal is to boost the prestige of engineering work and accordingly of specialists' pay.

(1) Отрасли	(2) Среднемесячные доходы рабочих и служащих, руб.		(3) В том числе среднемесячный размер премии, руб.	
	1983 г.	1986 г.	1983 г.	1986 г.
(4) Все народное хозяйство	190,1	195,6	27,1	28,7
(5) в том числе				
(6) Отрасли материального производства	202,8	208,4	32,9	34,8
(7) из них:				
(8) Промышленность (промышленно- производственный персонал)	210,6	215,7	42,5	44,4
(9) Сельское хозяйство	182,1	192,0	17,5	20,1
(10) в том числе совхозы	184,4	195,4	18,5	21,5
(11) Транспорт	220,3	228,1	33,8	35,6
(12) железнодорожный	211,7	220,9	38,4	38,7
(13) водный	262,9	272,4	38,5	41,4
(14) автомобильный и другие виды транспорта	220,8	227,9	32,0	34,3
(15) Связь	159,5	164,0	36,3	37,6
(16) Строительство	236,6	244,6	29,7	31,9
(17) строительно-монтажные работы	239,3	247,1	30,9	32,7
(18) Торговля и общественное питание, материально-техническое снаб- жение и сбыт, заготовки	149,2	152,9	23,0	24,7
(19) Непроизводственные отрасли	153,1	160,1	11,0	11,7
(20) Жилищно-коммунальное хозяйство, непроизводственные виды быто- вого обслуживания населения	146,6	149,3	18,3	19,2
(21) Здравоохранение, физкультура и социальное обеспечение	132,8	134,9	1,8	1,9
(22) Народное образование	150,0	155,7	3,6	3,7
(23) Наука и научное обслуживание	202,4	208,2	29,6	30,9

Average Monetary Earnings and Average Monthly Size of Bonuses of Workers and Employees in the
National Economy

Key:

1. Sectors
2. Average monthly , ay of workers and employees, rubles
3. Including average monthly size of bonus, rubles
4. Entire national economy procurement
5. including
6. Sectors of material production
7. of which:
8. Industry (industrial-production personnel)
9. Agriculture
10. including sovkhoses
11. Transport
12. railroad
13. water
14. motor and other forms of transport
15. Communications
16. Construction
17. construction and installation work
18. Trade and public nutrition, material and technical supply, sales and
19. Nonproduction sectors
20. Housing and municipal services, nonproduction forms of personal service for the population
- Health care, physical culture and social security
22. Education
23. Science and scientific services

One of the indicators of proper preparation for introduction of the new wage rates and salaries and acceleration on this basis of economic growth continues to be ensuring an accelerating rate of raising labor productivity compared to earnings. All labor collectives and heads of enterprises have to keep this in mind.

All measures connected to the wage reform which impinge on the vital interests of the people must become the subject of the broadest possible discussion among labor collectives. It should be remembered that their understanding of the social justice of the adopted measures will depend on the extent the opinion of workers is taken into account. This will ensure their interested participation in the search for and mobilization of intra-production reserves. At the same time, at a significant number of studied enterprises many workers simply do not know of the basic provisions of the new wage system or its intent. It is clear that here it is difficult to expect a rise in creative and labor activity, which is the chief and essential condition of boosting production efficiency.

There is also another aspect to the problem, if it can be expressed that way, the regional one. As was found in many cases, the further from the "center" the lower the level of organizational and preparatory work, the weaker is the knowledge and orientation of supervisory personnel in matters of restructuring the wage system and consequently the slower the transition of enterprises to the new wage conditions and the lower its effectiveness. Thus most enterprises where the new rates and salaries have been introduced are located in the central regions of the country. Consequently special attention in this regard should be paid to the regions of the Far East and Siberia where it is necessary first and foremost to provide wage advantages for the purpose of attracting and holding manpower and solving the problem of securing manpower through the release of workers.

There is still another acute question to which attention should be drawn. As a result of the preparation for introducing the new wage conditions, improvement of equipment and technology, introduction of progressive forms of labor organization and improvement of its norm setting, the need for personnel of sectors and enterprises is being significantly reduced. As shown by the experience of enterprises which have already changed over to the new rates and salaries, this release comprises 10 percent of the number of workers. Even if you consider that it will amount on the average to 4-5 percent, it should be expected that approximately 3-4 million persons will be released from production sectors during the course of the 12th Five-Year Plan. No less than half of them will consist of people of able-bodied age. In this connection, it is very important to rationally use their labor primarily in modernization and retooling of production and organization of multishift work. The possibilities for this exist. As shown by initial experience, at machine-building enterprises that have already changed over to the new wage conditions, a large portion (up to 60-80 percent) of the released workers get jobs at

the same place, being assigned to staffing second and third shifts, newly introduced production capacities and increases in production volume.

In finding jobs for released workers, a major role is assigned to local soviets and labor organs. It is essential for their close and effective cooperation with managers of enterprises and trade-union committees. We should prepare ahead of time for job placement of released workers and arrange for their retraining where necessary. These measures are of important social significance and they cannot be allowed to drift on their own.

Radical reorganization of the wage system is an integral constituent of restructuring of management of the economy. "We are under obligation to proceed to its realization," Mikhail Sergeyevich Gorbachev stressed at the June (1987) Plenum of the CPSU Central Committee, "with a sense of tremendous political responsibility to the people and to the future of our country."

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Readers Air Views on Individual Labor Activity

18280035 Moscow LITERATURNAYA GAZETA in Russian 1 Jan 88 p 12

[Article by L. Velikanova: "Individual Labor Activity: 'We Want To Be Heard'"]

[Text] We have hardly had time to look around — so to speak — before there is a new year again! What will it be like for those are just beginning an entirely new individual business life that is unusual for all of us? And what will they, who are promising wonders today, report on to us tomorrow — let us say, in December 1988 when the time for an accounting will come? On whom and on what will it depend?

The eve of a new year is a happy time for forecasts, prophecy and simply fortune-telling. We piously believe in them. Nevertheless, we give preference to forecasts that are based on knowledge. No one knows practically anything about the new task for which they are promising a great future. That is why LG [LITERATURNAYA GAZETA] devoted its first Open Door Day to the pioneers of individual labor activity. We were faced with shedding light on this activity for those who were sitting in on the pre-New Year gathering with their traditional meticulousness: "What exists?", "What will be?", and "What soothes the heart?"

They do not recall such a flow of guests into our editorial board. The conference hall was not only filled — it was crowded to overflowing. This is not difficult to understand. Now, during the period of democratizing society when glasnost is becoming not the privilege of the select but a part of our overall life, people are striving more and

more not only to listen to others but also to participate themselves in deeds and controversies; they want to cite their own arguments and not to stand aside — they want to be heard and to be understood.

Taking this into consideration, the editors proposed a new form for contact with the readers — a free discussion on urgent problems called "LG Open Door Day". During the first such day — it was held on 10 December 1987 — more than 300 people assembled to discuss problems connected with individual labor activity. They were business-like, energetic and tenacious. They did not simply go to the podium — they burst upon it. The discussion lasted five and a half hours. They established a time-limit four times: seven minutes, five, three, and one minute. When everyone had finished (twelve o'clock at night!), they asked for another half-hour — they assembled an initiative group and established a Club for Individual Labor.

Only those, to whom all the questions were addressed: workers in local councils of people's deputies, financial and legal agencies, and the State Committee for Labor, did not accept the invitation (although it was specially extended in the announcement). Evidently, they will have to be included in the discussion on the move, so to speak, in working order.

As is known, the new is very frequently something old that has been forgotten. This time, they forgot the old so well that it was literally necessary to begin from zero: It is not very clear what needs to be done and it is almost entirely impossible to understand how it should be done. Those, who are beginning a new business life, have a poor understanding of their rights and duties. Those, upon whom it is incumbent to provide help to them, are not much better (and sometimes much worse). According to an accurate comment by one of the participants in the Day, "both one and the other are wandering in the dark and are acting using only the trial and error method. Here is where horrors simmer...."

Indeed, there have been many horrors. They seethe around prohibitions ("in our city, they first permitted everything — please come, register, do what you want. Then they banned everything — nothing was possible; otherwise, you would create competition for the state service"); around excessive earnings ("Does it turn out that it is not for the individual but for his account? Are you growing rich on a shortage...?"); and around dog skins ("the markets are overflowing with caps made from Saint Bernards, collies and Newfoundlands. Jackets made from the skins of Great Danes and dobermans and fur coats made from cat and dog skins have already appeared. Man's most faithful friends are being slaughtered. And all of this — in the name of profit. And all of this — in the view of children...."); around prices ("What do we have today? Trousers made from two-ruble cloth for 80-100 rubles, an overcoat made from staple in a fleecy stockinet at 200-260 rubles, and little caps made from Indian linen at 10-15 rubles. An outrage!..."); around

the fact of whether it is becoming for a communist to engage in individual labor and to be for such labor in general ("a redistribution of cadre is taking place, and there is therefore nothing more to go into the cauldron of society"); and — what is the main thing — around the work itself and the difficulties in its formation ("Yes, many support the cooperatives and even the individual workers. In words. But in deed? No one wants to help. In return, as soon as it is possible to put a spoke in the wheel — there they all are. My cooperative has a good reputation; even the leadership is satisfied. However, I am on the verge of a heart attack all the time: nerves, nerves, nerves. Is it not time...?").

Of course, it is time and we gathered together for this. All of us have a common goal — to see to it that finally those goods and services, which it has been impossible for decades to buy or get, become available —only to deliver!

About Alarm Clocks for the Deaf and Other Ideas That Have Died and Not Managed To Be Born

Many did not simply go to the podium, but went with items — sometimes, with foreign ones for a comparison. As a result of this, the participants in the meeting were acquainted with a product (a fried pasty) from the capital's Gurman collective and were convinced that it was not at all intended for gourmets but for those who had no place to buy anything else. Alas, they were not able to express their dissatisfaction to the producers. They did not come and meet them — never, it was necessary to sell pasties.

Next, an electronic alarm clock appeared on the podium. However, it was not a standard one but a special one for the deaf. Yu. Teyeslau, a watchmaker from Tallinn and an electronic specialist by profession, designed, manufactured, brought, and demonstrated it. No one is manufacturing clocks which can wake a person, who has been deprived of his hearing, on time. Not a single enterprise!

The designer showed how his alarm clock operates — it is plugged into a table lamp which begins to blink at the given time. They applauded him for a long time. After this, it was explained that the master of watch affairs had come to Moscow not for applause but to tell about a misfortune that had been dumped on electronic specialists: In Estonia, they have displayed a strange initiative — they have completely banned the manufacturing of any electronic or electrical instrument for the home on the territory of the republic. The justification of the prohibition is that it is impossible to be instructed on safety techniques.

It did no good to reject this reason. The Ministry of Consumer Services is prepared at any moment to provide specialists, who will assume the monitoring of the skilled craftsmen's items — for example, in the commission store where they are being sold. It did not work.

The electronic specialists began to write to the newspapers and to the RADIO magazine to argue that ham radio is a traditional form of home work for us. The regular all-union exhibition of ham radio operators took place this year. An entire pavilion at the Exhibition of the Achievements of the USSR National Economy had to be devoted to original televisions, portable tape recorders and personal computers that were manufactured under home conditions. Based on their technical parameters, they did not yield to the best foreign models. And all of this is to be closed?

Yu. Teyeslau was at a reception of the chief of the republic's Ministry of Finances administration for state income. He cited all of these and many other arguments. It made no impression! When leaving, he asked: "Are you interested in additional state income?" And he received the reply which he expected: "No, I am not interested." He did not begin to talk about the needs of the disabled and about the fact that it is possible, for example, to design an electronic lock for people who have lost their arms, which could be opened using a certain type of "coded" whistling. He understood that it was useless. He heard the administration chief, whose hands and feet were — praise God — OK, well. What were the needs of the disabled to him?

And what are the needs of those vacationing in the Crimea to the workers of the Saki gorispolkom — they have the sea, one can say, "at home".

A. B. Timoshkin, the father of a large family (nine children), and his wife from the Crimean village of Shtormovoye had set up something similar to a home boarding-house — dinner and supper. They went to the rayispolkom for permission. While they waited, the business went on. They fed 100 people a day. Everyone was satisfied. They praised and thanked them. But then, a commission arrived and they suggested to the Timoshkins that they have a rural dining hall type premise with 50-60 seats or close the "shop".

Timoshkin asked: "Why does one need a special structure during the summer in the south? A kitchen, a table and water — what else is necessary? I went to the rayispolkom and said: 'Help me, give me permission. Earnings for us, who have many children, and help for the vacationers. It is necessary to feed them'. They answered me: 'There will be fewer to travel....' Everything ended on this."

Suddenly a voice rang out in the hall: "Permit me to add to that." A young man went to the podium and introduced himself: "Maksim Akhrimenko, a Muscovite. I vacationed during the summer in the village of Shtormovoye. I managed to dine twice in this private home and am able to confirm that the food was tasty and the prices normal (the shashlik was one ruble). And then they closed them down for some reason; everyone complained about it because there is absolutely nowhere to

eat there. They feed one disgustingly everywhere. Vacationers (there are many of them — it is the Crimea) carry everything with them — even an electric plate. Home cooking is very much needed there...."

A question came from the hall for Timoshkin: "Where did you get meat?" The reply: "I purchased mutton in the morning and by evening they had eaten it all."

The owners of the sheep had not come to the Open Door Day, but participants in the Day sold two cows for meat: They were too difficult and expensive to keep.

First, however, a note arrived at the presidium: "We relinquish our place; we must go home immediately to feed the cows" V. A. Moyev, the chief and responsible secretary of the editorial board, read the note aloud and everyone decided that its author, S. Rozhkov from the village of Voronki near Moscow, should be granted time to speak out of turn. I will quote his interesting story in a shorthand version.

"My wife and I are artists, but everyone is now experimenting and we wanted to try our hand. We purchased a horse and two cows; we brought in a sheep from the Caucasus, and we raised chickens.... Now we know what is the price — as they say — of a pound of evil. It is excruciating — one can say back-breaking — work and, in addition, not supported by anything. Everything depends on fodder. Where to get it? The kolkhoz and the rural council are ready to help, but how? Who will sell us fodder and greens? The kolkhoz member can write off something to the farm's account but we cannot do this. How can we exist? There is only one way out — to steal.

"Once they brought animal fodder to us: Purchase, they said, as much as you want. We rejoiced and we bought it. However, it turned out to be toxic. A cow almost died. And so we decided that we were not coping and that it was necessary to sell them for meat.

"That is why there are few who expect to raise cattle in the village."

Individuals are living this way today. Now the story of two cooperatives and their problems. V. Kirillov, chairman of a cooperative in Ternopol Oblast, related one:

"Do you see this round brush? We call it a 'maklovitsa'. It is used for whitewashing. However one whitewashes poorly with it — the upper layer segments and the brush becomes as hard as a rock; and it is necessary to throw it away. Now, look at these brushes. Are you convinced? You will not distinguish them from foreign ones (a complete field of smart-looking flat brushes with red handles suddenly appeared in the speaker's hands). The demand for them is enormous.

"Our cooperative should be able to produce brushes no worse than the foreign ones but there is no raw material; it goes for the 'maklovitsy'. I have tried to "push" our

brushes through the republic's deputy minister of light industry, but he replies: "Do you want me to close down a state enterprise?" I went to the department chiefs of Gosplan and Gosstab — it was useless. The answer was the same: There were no bristles.

"Then we said: Let us begin to reprocess the 'maklovitsy' lying about on the base — there are 30,000 of them there. They answered us that this would be a crime. Now, explain to me why it is no crime to convert first class raw material into rubbish?"

The second story. It was also preceded by a note from the hall: "We flew here from Tynda especially for the Open Door Day. We ask that you take our material...." We took it.

"Let us report for clarity's sake that there is one movie theater and a discotheque three times a week in one House of the Peasant in our city that has a population of 60,000 people. This is the entire selection of where the city's youth and inhabitants can go during their free time.

"With this in mind, we opened our Video cooperative on 15 July for the showing of movies, musical programs and cartoons and for organizing video lectures. Much more was planned, but

"The first difficulties arose when we went to Moscow to acquire equipment after having obtained a bank loan of 45,000 rubles. When we returned, we found out that they had taken away our building for a chess club on whose side the party gorkom stood. The trust founder was not able to defend our contract and signed another one — with the chess club.

"No one was disturbed that the premises were ownerless before this, that they were empty for nine months, leaking and deteriorating, that we had carried out finishing and decorative work with our own resources for a month and a half, that we had constructed comfortable video halls and a video bar in which three video sets and an automat for ice cream had been installed, and that we had expended a tremendous amount of money, including money from our own pockets.

"True, we made a stand for the premises, but they did not forgive us for this insolence.

"On 20 October, we began video shows and P. S. Bakin, an oblast radio and television correspondent, appeared a week later at our place. He showed all of us an anonymous letter printed on a typewriter — without signatures — in the name of a group of parents. Various filth, concocted — in our opinion by Bakin himself — was assembled in it. The essence of the anonymous letter was that we allegedly showed films in which violence and pornography are glorified and that we, generally speaking, were implanting a bourgeois ideology that is alien to us.

"We were simply staggered by this monstrous lie and suggested that Bakin himself look at our repertoire which had been approved by a gorispolkom cultural department commission in which representatives of the CPSU gorkom, Komsomol gorkom and education department had participated. Evidently, however, Bakin had instructions to halt our activity. He conducted a biased interview and juggled facts. Seeing this, other journalists came to our defense. Articles appeared in the BAM, AVANGARD and AMURSKIY KOMSOMOLET newspapers. The Komsomol gorkom and the staff of the Komsomol Central Committee on EAM [Baykal-Amur Mainline] interceded for us, and the inhabitants and guests of the city expressed their feelings in the book entitled "Your Opinion."

"During November, different commissions inspected the cooperative nine times for the purpose of finding violations and closing us down, but they found nothing. Then, Yu. A. Yesaulkov, the first secretary of the CPSU gorkom, himself worked at eliminating our cooperative.

"Naturally, we soon received a gorispolkom decision entitled "On excluding the club showing of video films and video programs from the list of services provided by the Video cooperative". Do you picture it? A video cooperative without video programs...."

I will not quote the other stories (there were 40 of them all told!). From them, it is understandable that an unexpected investigation was representative: It embraced both individual labor activity and cooperatives, it touched cities and villages, it extended from Tallinn to Tynda. Although each story was unique in its own right, all of them taken together revealed a common trend: The task has not received the most favorable conditions anywhere.

A Journalist From Leningrad Thinks That Cooperative Income Does Not Correspond to the Labor Expended

"It was a bold thrust: In the hall packed to overflowing with cooperative owners, the words suddenly flew out: "Will we become richer having cleared the road for the cooperative movement? Will the prosperity of our society grow from this? Not likely!" The state thought that housewives, retirees and students would become members of cooperatives. This has not happened in practice. Young and energetic people, who have made the cooperative their permanent place of work, have displayed an enterprising vein.

"However, perhaps the young people with their inherent energy have begun to work more productively in the cooperative sector than they did in the state one? This possibility is excluded in principle. You see, it is much more realistic to incorporate modern technology and the latest methods for handling material — for example, a laser system for cutting cloth — in a large industrial enterprise than it is in a sewing cooperative that has found room for itself in a semi-dark basement."

A young person, who introduced himself as Lukyanenko — a journalist from Leningrad, presented this surprise. True, he left the telephone number for another name — V. G. Ivanov — in the record book. Let us hope that this is explained by the fact that Lukyanenko himself does not have a telephone.

Lukyanenko-Ivanov finished his speech quite uncompromisingly: "Now, about the payment for the work of people in a cooperative. It depends not on the expenditure of working time but on the market situation. Today, a cooperative member receives the same unearned income as a by speculating on a shortage.

"What forecast can be made? Cooperatives will be expanded, encountering strong resistance from both the workers and local party and economic agencies. The violation of the principle of social justice will be the mainspring of 'sabotage' even up to the breaking of glass in cafes and the puncturing of tires on personal automobiles."

Of course, the hall was noisy. But not very much. It was simple enough to say: "Learn to live in the age of democracy", as shouts of the type "What is he carrying?" ceased from the seats.

Of course, they essentially replied to the Leningrad journalist. They talked about the fact that, of course, enormous batches of items roll off the production lines of large enterprises equipped with laser devices; only, is it good that no one needs them? They talked about the fact that the shortage, on which anyone now becomes rich (including workers in state stores), was just created by the fact that demand is looking for one thing and something entirely else arrives from the factories and the monopolist plants. They talked about the fact that far from everyone inflates prices and that prices are even lower than state ones for services, for which individuals and cooperatives are often "beaten" by local directors (competition!). They talked about the fact that not fighters for social justice but loafers and drunkards — those who are accustomed to not working and to staying within a limited range — puncture tires and break glass. They talked about the fact that high earnings from a shortage can disappear only when the shortage, for which the "green light" was given to individual and cooperative labor activity, disappears.

Convincing? It would seem so. Here, however, an ordinary consumer took the floor.

He said: "My work is connected with frequent trips about Moscow. That is why I have to eat on the road. I have visited 80 percent of the cooperative cafes and I am convinced that they are expensive and bad.

"It is necessary to approach the matter honestly. Try to compare, for example, food cooperatives in Lithuania and Moscow. There, a dinner consisting of three courses costs five rubles, but how tasty it is! You will never eat

properly in a Moscow cooperative; the people do not know how to prepare and serve well for any amount of money. This is not in their blood — no matter how much you pay.

"I will take that same Gurman; it sells not only pasties but also large mutton pies — at 55 kopecks per piece — in the Kursk rail terminal. What overhead expenses can possibly explain this price?

"It is not the price that disturbs me. I want to purchase good food for good money. If there is none of the former, there is none of the latter.

"Understand that I am not against cooperative activity, but I want to see it something else."

No one objected. On the contrary, the cooperative workers talked about the same thing: "I came to Moscow and I went to the Rizhskiy Market — and I was thunderstruck. The prices are inconceivable and the quality — you do not want to look. It turns out that they are again covering a shortage from the pocket of the working person. Go to a ban again? It will be even worse. It is necessary to do everything so that there will be more of us, so that we will fill the markets cram-full with goods, so that the buyer will have a selection, and so that no one will get rubbish and trash (V. Kirilov, a cooperative chairman in Ternopol).

There Is No Information — The Meeting Participants Said That the Reason for Many Mistakes Lies in This

Nothing is clear. What is possible, what is permitted, who is good, who is bad, who should be punished, and who should be given a reward?

Questions, one more complicated than the other, poured out as if from a horn of plenty:

— Should cooperative enterprises compete with state ones or is their fate to be on the side of the road, remnants, that which no one wants to do?

— Why is the issuance of permission for a license accompanied by such red tape? Where does this reshuffling come from: Open — close, permitted — prohibited? Who will punish officials who are willful?

— What is the basis for prohibiting individual legal practice?

— How much can an individual or a cooperative member earn? Can he legally receive 1,000 rubles a month, 2,000, 3,000 — or is there any limitation?

— Why do cooperatives not have the right to service state enterprises?

— Can cooperatives conclude long-term contracts with different trade and purchasing bases — departmental ones, those in the Ministry of Trade system and Soyuzpechat agencies?

— What criteria should guide one when agreeing to contract retail prices for the products of cooperatives? Who determines the boundaries of these prices and how are they determined?

— Is it possible to issue a cooperative catalogue on cooperative principles?

— Where can information be obtained?

Separately? But Together Also — They Adopted This Decision at the End

Every other one talked about this: We know nothing because we are isolated, separated and dispersed. It was clear without any words that they have rushed to the call of LITERATURNAYA GAZETA not only to cry on the editor's shoulder but also to contact each other, to talk a little, to try "but what do you have?", to be convinced that they are not alone, and to be among those who understand them. Put briefly — to receive as much information as possible.

The next speaker hardly had time to report something interesting when there flew from the hall shouts of "Give us your address" and "Tell us your telephone number". And everyone (including we, the editorial workers) wrote at his bidding — "433...."

Thus was born the main initiative — to establish a coordinating council which would operate in the name of all — a bridge between the individual and cooperative members and the external world.

N. Aleksandrov, a Muscovite, justified and formulated this thought more clearly than others: "Individual labor activity is now in its formation stage. That is why many of its figures are bunglers and do not have skills in organizing work and production and selling products and supplies; they know nothing about price formation. It is necessary to "culture" individual labor activity immediately. But culture is knowledge. It is necessary to start courses for individual labor activity and cooperative members and to introduce certification for them. Who will do this? An organization, which will take upon itself the uniting of uncoordinated forces, is required."

The chairman of one of the Kiev cooperatives, I. Ivanenko, added that this organization (he called it a "union" or an "all-union council") could be viable only if its own charter was approved and it had its own press organ.

Only Competition Leads to Goods Being Made Well and Sold Cheaply

In the market near the Riga rail terminal, a young lad, dashingy selling mushrooms made of dough with a chocolate cap, advertises his product completely in the spirit of one-time hawkers: "He, who eats my mushrooms, love will visit." (Compare: "We do not deceive, the material has no flaws....") or "Perch and ide wallow in the dirt... roach and tench — from a great depth!" from the book "Metkoye moskovskoye slovo. Byt i rech staroy Moskvy" [An Apt Moscow Word. Life and Speech in Old Moscow].)

It is good that the tradition is alive, but bad that they did not support the workman at the proper time. That is why he progressed little in his skill for dozens of years and, in turn, lost almost everything. The moral — a respectful attitude toward a client and toward a visitor — has been forgotten. From where does it come when people, reared in the "best" traditions of our way of life and our public dining, come to the cooperatives? A forgotten school of classroom embroidery and the processing of clothing, suits and dresses by a firm — who has not lost such skills at the present time? To whom could they be transferred by a father, a mother or a neighbor if the "golden hands" of masters were valued for dozens of years exactly as "the round-about ways" of the unskilled?

In the Moscow Department Store, they have established an individual labor activity department where they accept items from everyone who has a license. I went there and the impression was terrible. A display of terrible taste and clumsy execution. Who purchases this? The salespeople sigh: "They purchase it regardless, the neighboring departments are empty."

This is the answer to every indignation.

It would be easier not to open anything or — not being afraid of responsibility — to close it quickly without suggesting anything to replace it as they did with the Video cooperative in far off Tynda. Komsomol members write us: "In the city, there is absolutely nowhere to spend an evening, a Saturday or a Sunday. Many drink because of this. Alcohol is always available for someone to buy — even moonshine (10 rubles a bottle) and vodka (15 rubles). Was it really necessary to deprive the youth of even this entertainment? The repertoire was not liked? You approved it. Or offer something else in the end. The director does not come? Replace him. However, do not prohibit if you have not thought up something better."

And photo drawings of the subway system having stores and monument sites marked? They are also forbidden "since earnings do not correspond to the labor expended." True, they do not correspond, but for the only reason that there is no competition at the state level.

Such printed diagrams (beautiful ones, with gold, no match for home-made ones, and cheap — 15 kopecks) have now begun to appear for the first time, in particular, ones with the stores of the Detskii Mir retailing firm marked on them. This is good but, nevertheless, it is necessary to express thanks to the individuals: They suggested the idea. And to pose a question: Will they be sufficient for a long time? Because the diagrams are very much needed by new arrivals, tourists and — yes — by the ordinary inhabitants of large cities! When we finally learn to proceed only from this and to display concern for our fellow citizens without looking at their purse with envy but by creating a service which simplifies life, the number of monopolists among the individual workers will certainly become less.

They say that even before the war when offering very tasty fried pasties at the Kursk rail terminal, a seller dressed in a white jacket repeated over and over again: "With onions, pepper, dog's heart; piping hot; 50 kopecks for a pair."

Yesterday's 50 kopecks is today's five-kopeck coin. If the inexpensive fried nasties, with which Moscow and other cities were inundated, had not disappeared very quickly as if someone had swallowed them up at one time, we would not have to moan about the prices for pasties and large mutton pies at Gurman; or they would have become sweeter than pineapples; or — not being able to stand up to competition — would have become sharply cheaper.

Complete cost accounting in the state sector, a developed network of mobil cooperatives, and the revived skill of home craftsmen must provide this competition.

There is no fourth thing.

And so, the first LITERATURNAYA GAZETA Open Door Day showed: The format is successful; it provides an opportunity to examine a rather complicated problem quickly and thoroughly, that is, to conduct something like express research and, moreover, a representative one. We will continue to conduct such meetings on a regular basis. Suggestions for the topic of the next LITERATURNAYA GAZETA Open Door Day are being accepted.

08802

Labor Official on Impact of Employment Resolution

First Part of Interview

18280039 Moscow SOVETSKAYA ROSSIYA in Russian 21 Jan 88 p 2

[Interview with L. A. Kostin, first deputy chairman of the USSR Goskomtrud [State Committee for Labor and Social Problems] by TASS correspondent L. Perkina: "A New Employment Strategy"; first paragraph is editorial introduction]

[Text] The CPSU Central Committee, the USSR Council of Ministers and the AUCCTU have approved the decree "On providing for efficient employment of the

population, improving the system of job placement, and reinforcing social guarantees for the workers." L. A. Kostin, first deputy chairman of the USSR State Committee for Labor and Social Problems, tells a TASS correspondent about this document's basic provisions, especially for SOVETSKAYA ROSSIYA.

[Answer] The 27th party congress and the subsequent plenums of the CPSU Central Committee defined the basic directions for restructuring development of the economy and for the shift to new methods of economic operation, where the main elements are acceleration of scientific and technical progress, the introduction of full cost accounting and self-financing and new wage conditions, and restructuring of the organizational structures of ministries and departments. All this objectively creates the prerequisites for the release of workers from physical production, as well as management, on a large scale. According to scientists' estimates, this will amount to no less than 16 million persons by the year 2000. In the current five-year plan alone, this will involve about 3 million individuals, and this will take place basically because of the introduction of new wage conditions. This will make it possible to reduce the number of persons employed in production sectors of the national economy and to substantially increase employment in the nonproduction area. The staffs of union and republic ministries and departments are being significantly reduced. The release will enable us to resolve a number of complex problems in the years ahead related to utilization of the labor potential which accumulated in the stagnant period. They are well known. There is a so-called manpower shortage in many sectors and regions, poor utilization of the human factor, low labor discipline, and difficulties in involving youth in labor.

There is no doubt that the release will give us the opportunity to better implement the party's social program and develop sectors of the nonproduction area at an accelerated pace, and it will be required to enlist most of the released workers for this. At present, roughly 27 percent of those employed in the national economy are working in this area. As a comparison, this figure was 17 percent in 1960. Meanwhile, even in a number of European socialist countries this indicator is up to 50 percent or more.

As the decree notes, implementation of an entire range of organizational, socioeconomic, and legal measures at all levels of the national economy and in every republic, rayon and oblast will be required for its successful fulfillment.

The task that has been set is not simply to resolve the problem of giving work to everyone, but to provide for efficient employment in accordance with the socialist principle: from each according to his ability and to each according to his labor. It is important in the process to ensure that each worker is utilized where he can give the largest return to society and obtain personal satisfaction from his work.

It is important to note that the recommendations of scientists and foreign experience were taken into account in preparing the decree. But the main thing is the opinion of the workers. Specialists of the USSR Goskomtrud and the AUCCTU went to labor collectives to discuss the draft of the decree; 350 collectives in different cities in the country took part in the discussion.

[Question] What will be new in work with the personnel in ministries and departments and at enterprises?

[Answer] A great deal will be new and important. The basic efforts should be concentrated on maintaining and developing the labor potential in a sector in order to utilize the available production organization efficiently. At the same time, we have to take into account the prospects for development of a sector, determine and forecast the number of released workers and their vocational skills, thoroughly think through and plan their job placement, and organize their training, retraining, and skill improvement.

The labor collectives, party and professional organizations, and the managers of enterprises and institutions have a great responsibility. It is necessary first of all to place released workers in these same enterprises—to introduce a multiple-shift work routine, increase consumer goods production, and expand services which will be provided both to workers of the enterprise itself as well as to the local population. A production facility will also have additional opportunities to build housing and other projects for social, cultural and everyday services.

A certain number of workers being released from an enterprise are being enlisted for cooperative and individual labor activity. These forms of labor should be extensively developed, especially in consumer goods production and the services field.

[Question] The role of local soviets will probably be increased in resolving the population's employment problems?

[Answer] There is no question that their role will increase, primarily in achieving balance in work places and manpower in their territory. Their attention will be directed at overall development of the production and nonproduction areas, mainly through significant expansion of service to the population and, of course, at organization of job placement for the workers being released and other groups in the population.

[Question] What measures have been outlined for the placement of employees released from administrative organs situated in Moscow, for example?

[Answer] This problem will really be most complicated in Moscow. Special measures were stipulated in the decree for precisely this reason. Ministries and departments, the RSFSR Council of Ministers, the Moscow Soviet and the Moscow Oblast Soviet, and party and

trade union organs have been charged first of all with providing skilled personnel for the newly created state production associations, as well as the operating scientific-production and production associations and enterprises located in Moscow and Moscow Oblast. With their consent, the employees being released will be sent to reinforce enterprises and organizations in other regions in the country.

[Question] What benefits and compensations are being provided to the workers being released?

[Answer] The decree that has been adopted is one more demonstration of the firm social guarantees for Soviet citizens, and the right to labor first of all. This is an integral part of the active social policy now being pursued by the party. The range of legal and social guarantees for the workers being released is quite broad. When their labor contract is canceled they are given severance pay in the amount of their average monthly earnings. It is common knowledge that severance pay amounted to 2 weeks' earnings previously. The average wage is retained over the job placement period, but no longer than 2 months from the day of dismissal, taking the severance pay into account; an exception is made for a third month as well if the job placement organ so decides. The length of labor service for these workers is unbroken if the work interruption does not exceed 3 months. Until now the length of service has been retained for only 1 month.

Continuation of Interview

18280039 Riga SOVETSKAYA LATVIYA in Russian
24 Jan 88 p 3

[Continuation of interview with L. A. Kostin, first deputy chairman of the USSR Goskomtrud [State Committee for Labor and Social Problems] by TASS correspondent L. Perkina: "A New Employment Strategy"]

[Excerpt] [Question] Over the previous five-year plans a great deal has been done to involve persons of retirement age in work that is within their ability to perform, and more than 10 million of them are now working in sectors of the national economy. How will the release affect them?

[Answer] If we return again to the decree, it stresses that matters concerning workers' release should be resolved in accordance with labor legislation. We must take the interests of the different categories of workers into account in the process. There is no question that all this also relates to the labor veterans. For this reason, it is considered expedient to grant the management of enterprises and organizations, jointly with trade union committees, the right to continue labor relationships with workers and employees who have reached retirement age if they are working very productively and fruitfully, with high efficiency, and enjoy well-deserved authority in the collective. In other words, everything remains essentially as before with respect to those who are working well.

[Question] The decree mentions the establishment of an integral statewide system of job placement. What are the problems that it has resolve?

[Answer] Very important ones, and the main one is providing for the population's employment. The job placement system's sphere of influence includes all rayons, cities, oblasts, krays, autonomous and union republics, and the country as a whole and it will become an integral part of the regional programs to improve utilization of manpower resources.

This year it is planned to establish self-supporting [khozraschetnyye] centers for job placement, retraining, and vocational guidance of the population in union and autonomous republics, krays, oblasts, and the major cities; self-supporting bureaus will be established in other rayons and towns. They are now operating in over 1,700 communities. Another several hundred bureaus and centers will have to be established.

The activity of all components in the statewide system for job placement, retraining and vocational guidance will be concentrated on resolution of the basic problems: organizing a record of the employment and movement of the able-bodied population, setting up data banks on manpower requirements and sources, and providing the population with extensive information on the requirements for workers in appropriate vocations and specialties, as well as on work places where retired individuals, invalids, women with children, and students may be employed. It is assumed that bulletins will be issued periodically.

The centers and bureaus will provide job placement for the unemployed population as well as the workers that have been released, and they will select a place of work for them before their labor contract is canceled. Their duties also include the staffing of associations, enterprises, organizations and institutions with the necessary personnel and the organization of work force redistribution, chiefly in the rayons which are short of manpower, as well as vocational guidance work, organization, and where necessary, retraining of individuals.

Later on, the job placement service will be performing other tasks related to management of manpower resources in the country.

[Question] A final question, Leonid Alekseyevich: it is common knowledge that we did away with unemployment in the 1930's. All the same, is there any basis for linking the mass release of workers that is expected with possible unemployment?

[Answer] I will say right away: no! This follows from everything that I have been saying. In addition, every person who familiarizes himself closely with the decree can be assured that we are conscientiously making use of

the levers of the new economic mechanism and economic levers for the release of excessive personnel. And this will be one of the factors in the development of our economy and in implementing a strong social policy.

In conclusion, I want to emphasize that we are clearly aware that we are faced with a large and complex task in fundamentally restructuring the system for citizens' release, retraining and job placement. This problem affects the interests of millions of Soviet people. Major effort will be required to resolve it, mainly by labor organs, ministries and departments, the collectives of enterprises and organizations, and soviet and trade union organs. Only coordinated work by everyone can ensure success and will contribute to greater labor and social activity by the workers in the interest of increasing economic growth and the national welfare.

8936

Statistics on Work Force Cited

18280041 Moscow PRAVDA in Russian 7 Feb 88 p 1

[Article by V. Lyubitskiy: "In the Mirror of Statistics—Working Age of the Country"]

[Text] For the last 10 years the average age of laborers and professional workers in the country's economy has increased by one year and comes to 37.9 years. What does this tell us? It tells us, in particular, about the legacy of war, which sociologists call the second demographic slump. Nevertheless, according to today's information from the USSR State Committee on Statistics, young people up to the age of 29 make up 30.2 percent of the working force in the areas of economics and culture. Half of the workers, (exactly 50 percent), are, as is usually thought, at the ripest, most able-bodied age—from 30 to 49 years. In the production sectors, there is a solid preference for construction, where such personnel total 53.5 percent.

The greatest number of young people (up to 25 years) are found in trade and public catering sectors totaling 17.6 percent. The least popular fields among young people are communal housing and the unproductive kinds of everyday services which only comes to 11 percent. Incidentally, in this category is the greatest percentage of persons, 25.6 percent, who are around the age of 50. Such facts attract attention. In the areas of culture and art, young people, up to 29 years of age, naturally play a very noticeable role of 32.8 percent. Unfortunately in science (and in scientific service) its share is less noticeable with only 26 percent. National education, below the average for the country, totals 29.9 percent.

Here is how personnel statistics are characterized from the standpoint of their stability. The average length of work at a given enterprise for the economy as a whole now totals 8.8 years. For the last 10 years it increased in

the majority of production sectors, at the fastest rate in construction (by 1.7 years) and at the slowest rate in railroad transportation (by only 1.2 months).

An analysis of fluctuation also reflects on which length of service is "critical" from the point of view of possible dismissals (although it is understandable that the reasons for leaving can vary). Therefore the number of workers in one place less than a year is the greatest in construction with 19 percent, but is 15.3 percent in auto transport. The fewest number of people are dismissed in all sectors where the length of service in a given enterprise is from 1 to 4 years. But then the dynamics become quite diversified. If, let us say, a decade ago of personnel working in one place more than 10 years was in railroad transportation at 39.7 percent, then today, it is in the sovkhozes at 45.5 percent. Most noticeable of all is that such laborers and professional workers have increased in construction by 9.8 percent, and in the sovkhozes by 7.6 percent.

/08309

Life Expectancy Statistics for Population Detailed
18280031 Moscow VESTNIK STATISTIKI in Russian
No 12, Dec 87 pp 31-39

[Article by R. Dmitriyeva, deputy chief of the Population Statistics Administration, USSR Goskomstat [State Committee for Statistics], and Ye. Andreyev, laboratory manager of the Department of Demography, USSR Goskomstat NII [Scientific Research Institute]: "On the Average Life Expectancy of the USSR Population"]

[Text] In recent months the USSR Goskomstat has published a series of materials on the mortality rate of the population.¹ Extension of publication is a necessary element in the restructuring which is under way in the country and society. It is impossible to bring about substantial improvement of the demographic situation in the country without sensible, critical assessment of what has been achieved and without identifying the reasons for detrimental trends. Drawing the attention of the public at large to demographic problems will assist in carrying out this complicated task.

It is most appropriate to conduct an analysis of trends and mortality characteristics on the basis of mortality and average life expectancy tables. The first complete tables for the country as a whole were compiled by Professor S. Novoselskiy, using data from the first general population census in 1897 and data on mortality in adjacent years.² He and V. Payevskiy coauthored mortality tables for 1926-1927, which were coordinated for the 1926 population census.³ The mortality tables of 1938-1939 were compiled shortly before the war in the Department of Population Statistics.⁴ After the war, efforts were made to compile short mortality tables based on calculated data on the age and sex composition of the population—only for the country as a whole (for

1954-1955, 1955-1956, and 1957-1958). The first complete mortality tables in the postwar period for the USSR and union republics were compiled with data from the 1959 population census in the Department of Population Statistics and Public Health under the leadership of Ye. Rodina.⁵

Later the tables were compiled annually, but because of their labor-intensive nature, they were chiefly short tables, and they were the very ones that were first converted to electronic processing. Though it should be kept in mind that a program was compiled by A. Semenova at this same time which made it possible to expand the short tables into complete ones. Since 1972—initially at the Latvian SSR RVTs [Republic Computer Center] and since 1983 at the GVTs TsSU SSSR [Main Computer Center of the USSR Central Statistical Administration] (the USSR Goskomstat) within the framework of EOI [electronic data processing—EDP] of demographic calculations—complete mortality tables have been compiled annually for the USSR and union republics; in addition, tables were compiled in separate years for autonomous republics, krais and oblasts.

The brief digression into the history of mortality table compilation evokes a relevant question concerning the extent to which indicators in the tables are comparable, bearing in mind that there is no single comprehensive method in all the tables cited, except for those which were compiled with the computer. In order to determine the extent of possible incomparability, an experiment was conducted by recalculating the tables compiled earlier with the computer. It showed that the methods used in all the tables produce comparable results in principle: the differences in the magnitude of the average life expectancy indicator do not exceed 0.2 years and the relative deviation of the remaining indicators up to 85 years of age is not in excess of 1 to 1.5 percent.

The second feature we should dwell on particularly before beginning analysis of the table indicators firsthand is the completeness and quality of data on deaths and the influence of this factor on the comparability of indicators. First of all, we would like to note that not one of the authors of the mortality tables made corrections to the initial information, except for smoothing out accumulations of data both in the age composition of the population according to the censuses and in the current reports on deaths. In compiling the mortality tables of 1896-1897 and 1926-1927, the authors mainly followed the policy of cutting off the territories with deliberately unauthentic data. Thus, there were no data for the autonomous oblasts of the North Caucasus Kray and the Dagestan ASSR in the 1926-1927 tables for the European part of the USSR. Realizing the incompleteness of data on deaths in the Bashkir ASSR, the Srednevolzhskiy and Nizhnevolzhskiy Rayons, and the Crimea, S. Novoselskiy and V.

Payevskiy considered it better not to make any corrections to the inadequate calculation because it was differentiated by various regions of the country and the extent of differentiation was not known.

The compilers of the 1938-1939 tables also held the same viewpoint. This was the first attempt to compile tables for all the country's territory. Data from the 1939 population census were thoroughly analyzed, and the accumulation of age data was removed to the extent possible (this relates to territory within the boundaries up to 17 September 1939; the tables were not recalculated because of border changes). However, despite the fact that checks by state statistical organs in the Kirghiz and Turkmen SSR's had revealed a substantially insufficient calculation of the number of deaths, the Department of Population Statistics had difficulty in making corrections because of the lack of specific information by territory, age, and sex.

An attempt to make corrections to the insufficient calculation of deaths in the republics of Central Asia was undertaken on the basis of the 1958-1959 tables.⁶ However, the extent of correction was obviously inadequate, since the mortality rate of the urban population greatly exceeded the rural mortality rate as before, in spite of the corrections made. Owing to imperfection in the methodology of making corrections, they decided not to take them into account in the tables for the country as a whole.

Reliability of data on deaths was improved to the greatest extent in the postwar period. The verification measures conducted by the statistical and public health organs contributed to this. The level of this work certainly increased after the All-Union Population Census of 1970, when the oblast and kray statistical administrations were charged with the verifications. When certification of perinatal death was introduced, completeness in registering infants who had died during their first days of life was also improved.⁷

Of course, in the period when average life expectancy rose consistently, the factor of improved calculation contributed to a reduction of the increase in the indicator; for this reason we can say that an increase took place even when calculation was improved. However, starting in the mid-1960's, when average life expectancy began to decrease, the improved calculation intensified the curve of negative mortality trends. Analysis of the probabilities of death for middle ages indicates that this is not only a matter of improvement in the calculation of deaths, but a real increase in the mortality of the population. The territorial differentiation of this process attests to this as well.

On the whole, the entire period from the end of the 19th century right up to the mid-1960's was marked by a consistent increase in average life expectancy and very high rates, particularly in the 1920's and 1950's.

It is common knowledge that prerevolutionary Russia was one of the countries with the highest indicators of mortality. In 1913, the mortality rate in Russia was more than 2.5 times as high as in the United States and a number of European capitalist countries. Widespread epidemics and famine in the country took the lives of millions every year. V. I. Lenin wrote in 1901: "Over the past decade, the Russian peasants have not only been devastated; they have obviously been dying out at an astonishing rate..."⁸

After the victory of the Great October Socialist Revolution, the process of decreasing mortality noted at the beginning of the century accelerated sharply. Measures aimed at eliminating hunger and poverty, to combat contagious diseases, and to protect mothers and children brought about a substantial change in average life expectancy.

A basic resource in lowering the mortality rate was utilized in the first stage of the socialist state's development—mainly by eliminating contagious and a number of critical diseases. The organizational work of public health organs played an important role in this.

Table 1: Average Life Expectancy in Russia and the USSR (in years)

Years	Total male population	Urban male population	Rural male population	Total female population	Urban female population	Rural female population
1896-1897	31.32	—	—	33.41	—	—
1926-1927	41.93	42.74	41.91	46.79	49.42	46.33
1938-1939	43.99	41.24	45.36	49.69	48.21	50.37
1954-1955	61	—	—	67	—	—
1958-1959	64.42	63.69	64.90	71.68	71.42	71.76
1964-1965	66.10	65.51	66.32	73.76	73.28	74.09
1969-1970	64.38	64.38	64.10	73.35	73.37	73.18
1979-1980	62.24	63.04	60.81	72.48	73.01	71.48
1984-1985	62.87	63.78	61.04	72.73	73.33	71.55
1985-1986	64.15	64.97	62.50	73.27	73.84	72.17

The highest rates of increase in average life expectancy were observed from 1938-1939 to 1958-1959. The period may even be narrowed down—the largest decrease in the mortality rate was toward the end of the 1940's and the first half of the 1950's. Specialists relate this unique phenomenon (an annual increase in average life expectancy of 2 years on the average!) to the first use of sulfamidic compounds and antibiotics by public health organs. The social conditions for making use of these medical achievements and their availability to the broad masses of people in the country also were very important.

Those population groups which had the highest mortality rate in prerevolutionary Russia gained the most over the entire period of progressive increase in average life expectancy. The children first of all—infant mortality up to 1 year of age decreased to nearly one-third as much by 1958-1959; then women, whose average life expectancy was six times greater than men in 1958-1959 than in 1896-1897; and men living in large cities. In Moscow and Petersburg, the average life expectancy for men was 23 and 25 years, respectively, before the revolution, but by 1958-1959 it had increased to 65 and 64 years.

The thresholds in the dynamics of average life expectancy for both men and women were the years of 1964 and 1965.

The indicator of average life expectancy gradually increased up to 1964-1965, but then a relatively rapid decrease was observed. The lowest indicator was in the late 1970's and early 1980's, after which it remained nearly stable up to 1985. The positive trend in recent years is particularly apparent if we shift from 2-year to 1-year tables, since it is very obviously related to the situation in 1985; as current statistical data show, the decrease in the mortality rate, which was especially pronounced for the class of accidents, poisonings and injuries, began right after strict measures were taken to combat drunkenness and alcoholism, that is, beginning in June 1985.

The dynamics of age indicators in death probability for men and women attest to the increased mortality rate beginning at young ages: 20 years for men and 37 years for women. The extent of this may be judged on the basis of a balance table showing the change in average life expectancy by age groups.

Table 2: Change in Average Life Expectancy for the Population of the USSR^a (in years)

Years	Altogether	Mortality up to 1 year of age	Mortality at 1 to 14 years	Mortality at 15 to 39 years	Mortality at 40 to 59 years	Mortality at 60 and older
Men						
From 1958-1959 to 1964-1965	1.68	0.91	0.56	0.32	-0.12	0.01
From 1964-1965 to 1984-1985	-3.23	0.12	0.03	-0.59	-1.33	-1.46
Altogether, 1958 to 1985	-1.55	1.03	0.59	-0.27	-1.45	-1.45
Women						
From 1958-1959 to 1964-1965	2.08	0.87	0.60	0.35	0.16	0.10
From 1964-1965 to 1984-1985	-1.03	0.18	0.07	0.21	-0.35	-1.14
Altogether, 1958 to 1985	1.05	1.05	0.67	0.56	-0.19	-1.04

It is apparent from Table 2 that a basic change for the worse in the mortality indicators for both men and women is related to the higher death rate for older able-bodied and retired individuals; moreover, the mortality indicators for younger able-bodied men increased as well.

Attention is also drawn to the change in the effect of mortality at ages up to 15 years on the level of life expectancy. Although the contribution of these ages over the period as a whole was positive, it was substantially

less after 1964-1965. By comparison let us point out that in the period from 1938-1939 to 1958-1959, average life expectancy increased by 15.11 years for men and 14.36 years for women, which accounted for 84 and 70 percent, respectively, of the increase in life expectancy, as the result of a decrease in the mortality rate of children up to age 15.¹⁰

It is well known that infant mortality in the country rose from 1972 to 1976. A subsequent decrease brought this indicator back to the level typical of the late 1960's. The

extent to which the dynamics of the infant mortality indicator reflected the actual processes and the extent to which it reflected improved calculation, in our view, cannot be resolved unequivocally, although analysis of the regional dynamics attests to the advantage of the calculation factor.

As a result of the principal increase in the mortality rate for men, particularly at able-bodied ages, the correlation of age indicators for the mortality rate of men and women, if the indicators for women are assumed to be 100, was changed. In 1958-1959, the epicenter of increased mortality for men shifted to the older able-bodied ages—55 to 60 years, by 1969-1970 it had shifted to the left—toward the young ages, and in 1984-1985 it was at an even higher level.

Negative aspects of the dynamics of mortality were characteristic for the rural population to a significantly greater extent.

Calculations show a certain increase in the mortality rate for men in ages 15 to 59 in rural areas up to 1964 as well, although this trend was intensified in the subsequent period. Overall losses in the life expectancy of the rural male population in the period after 1964-1965 totaled 2.83 years, while 1.56 years were lost in urban areas. In the mid-1960's the level of mortality between ages 15 and 59 for both men and women was roughly equivalent in urban and rural areas. Thus, according to the mortality tables for 1964-1965, 241 men in urban settlements, 250 men in rural areas, 117 women in urban settlements, and 119 women in urban areas per 1,000 persons of the same sex died between age 15 and 60. In 1984-1985, these indicators were: 306 men in cities (or 27 percent more than in 1964-1965), 344 men in rural areas (or 38 percent more), 121 women in cities (the indicator increased by 3 percent), and 144 women in rural areas (or 21 percent more than in 1964-1965). The indicators were practically at the same level in the late 1970's and early 1980's, but in 1981-1983 there was even some decrease in the the mortality indicators. Analysis of the monthly data attests to the fact that there was hardly any

increase in mortality during autumn and winter associated with influenza and colds in the years cited, and consequently, the improvement cited was not long-term in nature. This assessment was reaffirmed when the mortality tables for 1984 were compiled. A correlation has now been formed between the age indicators of the urban and rural population which differs sharply from 1958-1959, when excessive mortality in rural areas was recorded up to about age 40 and the indicators for older ages were 15 to 20 percent lower than in the cities. In 1984-1985, the likelihood of death for urban residents between ages 20 and 30 was 1.8 to 2 times higher than in the cities, and an excessive rate continued until age 55—the indicators for the urban and rural population "intersected" only at advanced ages.

There is no doubt that improvement in calculating the mortality rate affected mortality indicators at older ages, especially in rural areas, more than data on the death rate of able-bodied persons. However, life expectancy also decreased by 0.83 years for men and 0.59 years for women compared with 1958-1959 in urban areas as the result of the increased mortality rate for elderly persons; at the same time, there were practically no changes in the mortality rate up to 1964-1965. Some stabilization in the mortality indicators for elderly persons was noted in the late 1970's.

The period after 1984 is marked by a substantial increase in average life expectancy (see Table 3): life expectancy increased by 2.56 years for men and 1.07 years for women by 1986. Life expectancy increased somewhat more in rural areas than in urban settlements. The basic rise in life expectancy for men is related to a drop in the mortality rate of able-bodied persons 40 to 59 years of age; women's contribution in the 60 years and older age range is more substantial. Unfortunately, the mortality rate for younger ages remained almost unchanged. Data on mortality causes show that the drop in the mortality rate for men is related chiefly to a decrease in the death rate from accidents, poisonings and injuries. Circulatory diseases are the first cause of death for women and the second cause for men.

Table 3: Increase in Average Life Expectancy in the USSR after 1984

	Entire male population	Urban male population	Rural male population	Entire female population	Urban female population	Rural female population
1984	62.42	63.33	60.60	72.57	73.16	71.40
1985	63.31	64.21	61.49	72.89	73.49	71.70
1986	64.98	65.72	63.51	73.64	74.19	72.63
Increase in 1986 compared with 1984	2.56	2.39	2.91	1.07	1.03	1.23
—Increase because of reduced mortality under age 1	0.03	0.04	0.01	0.01	0.03	0.00
—Increase because of reduced mortality between ages 1 and 14	0.09	0.06	0.09	0.07	0.06	0.07

Table 3: Increase in Average Life Expectancy in the USSR after 1984

	Entire male population	Urban male population	Rural male population	Entire female population	Urban female population	Rural female population
—Increase because of reduced mortality between ages 40 and 59	1.08	1.05	1.13	0.34	0.33	0.36
—Increase because of reduced mortality at age 60 or older	0.53	0.48	0.61	0.49	0.47	0.61

In spite of the substantial positive shifts that have taken place, the level of mortality at able-bodied ages still remains high. The same applies to childhood ages. The causes and factors of this phenomenon require special study, which the authors look forward to continuing in this journal.

Footnotes

1. See "Narodnoye khozyaystvo SSSR v 1985 g." [National Economy of the USSR in 1985], Moscow, Finansy i Statistika, 1986, p. 547; "Narodnoye khozyaystvo SSSR za 70 let" [The National Economy of the USSR Over 70 Years], Moscow, Finansy i Statistika, 1987, pp. 408-409; VESTNIK STATISTIKI, No. 12, 1986, and No. 3, 1987.

2. See S. A. Novoselskiy, "Smernost i prodolzhitel'nost zhizni v Rossii" [Mortality and Life Expectancy in Russia], Petrograd, 1916.

3. See "Smernost i prodolzhitel'nost zhizni naseleniya SSSR, 1926-1927. Tablitsy smernosti" [Mortality and Life Expectancy of the Population of the USSR. Mortality Tables], Moscow-Leningrad, Plankhozgiz, 1930.

4. See "Vosproizvodstvo naseleniya SSSR" [Reproduction of the Population of the USSR], edited by A. G. Vishnevskiy and A. G. Volkov, Moscow, Finansy i statistika, 1983, p. 298.

5. See "Itogi Vsesoyuznoy perepisi naseleniya SSSR 1959 goda" [Results of the 1959 All-Union Population Census of the USSR], Moscow, Gosstatizdat, 1962.

6. See "Problemy narodonaseleniya Sredney Azii" [Population Problems of Central Asia], Moscow, Statistika, 1970, pp. 333-335.

7. See "Metody issledovaniya. Demografiya: problemy i perspektivy" [Research Methods. Demography: Problems and Prospects], Moscow, Nauka, 1986, pp. 6-21.

8. V. I. Lenin, "Polnoye sobraniye sochineniy" [Complete Works], Vol. 5, p. 297.

9. For the calculation method, see Ye. M. Andreyev, "The Component Method in Analyzing Life Expectancy," VESTNIK STATISTIKI, No. 9, 1982, pp. 42-48.

10. "Vosproizvodstvo..." op. cit., p. 101.

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